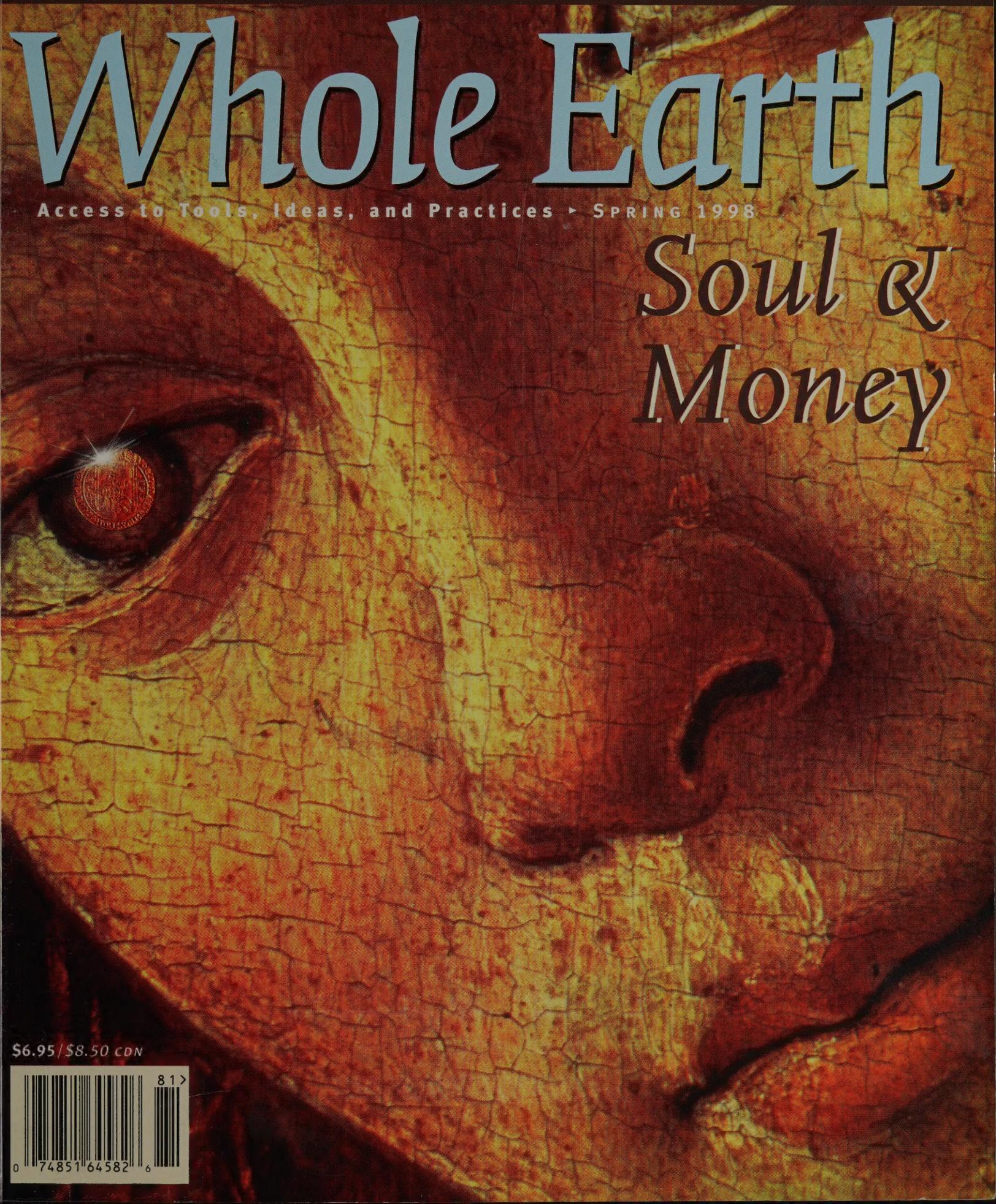


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LOCAL CURRENCIES/GLOBAL FINANCES ▶ OUR GIFTS, PORTFOLIOS, & BANK ACCOUNTS

# Whole Earth

Access to Tools, Ideas, and Practices ▶ SPRING 1998

*Soul &  
Money*



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Pity the gryphon, the mermaid, the silkie, the chimera: creatures assembled of incompatible parts, with uncertain allegiances and troubled identities.

When nature calls, which nature is it? When instinct beckons, approach or flee? ¶ A ferrofluid is a gryphon in the world of materials: part liquid, part magnet. It is prepared by grinding magnetite—the magnetic lodestone—in an oil. The grinding must be “just enough.” If the particles of magnetite are too large, they remember who and what they were and behave like a fine magnetic powder, clumping and settling rapidly from the oil. If they are too small, they no longer show any of the wonderful cooperation between groups of atoms that is required for magnetism. If they are just the right size ... they develop a useful schizophrenia. Outside a magnetic field, they are non-magnetic liquids; in a magnetic field, they become magnetic.

This drop of ferrofluid was placed on a glass sheet with yellow paper underneath for photographic contrast. In regions of high magnetic field, the fluid broke into

spikes, trying to imitate the way iron filings line up in columns in a magnetic field. In regions of lower magnetic field, it remained a liquid, forming flat drops in a com-

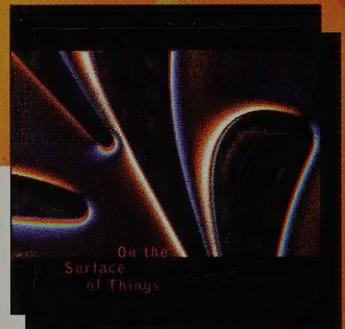
promise between the siren call of gravity and its own cautious cohesion. The results are shapes seen nowhere else in nature.

### On the Surface of Things

Images of the Extraordinary in Science

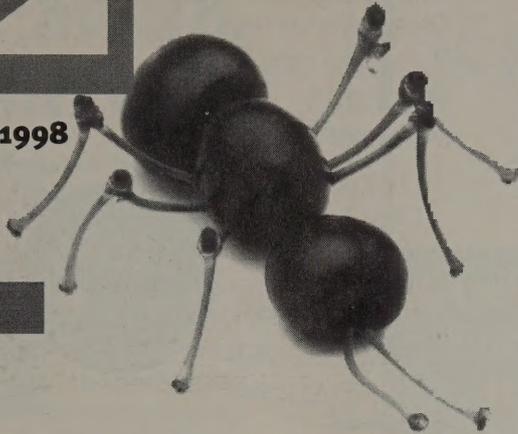
Felice Frankel and George M. Whitesides. 1997; 160 pp. \$22.95. Chronicle Books.

We usually abjure cover blurbs, but we can't improve on Stephen Jay Gould's summary of this spectacular book from which we took the picture and caption: "We are primates; primates are visual creatures; surfaces make our visual contact with reality and are therefore of the essence—not at all superficial. This beautiful book and artful collaboration shows us the true depth of surfaces at all scales of our sight and understanding."



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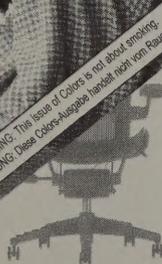
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Number 92  
Spring 1998

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Whole Earth (ISSN 0749-5056) is published by Point Foundation, a nonprofit educational organization, 1408 Mission Avenue, San Rafael, CA 94901-1971 (415/256-2800). Yearly subscriptions: In US \$24. In Canada \$32 (includes postage and GST). Elsewhere: \$39 (US funds). For subscription customer service, write Whole Earth, PO Box 3000, Denville, NJ 07834 or call 800/783-4903. Periodicals postage paid at San Rafael, CA and additional mailing offices. POSTMASTER: send address changes to Whole Earth, PO Box 3000, Denville, NJ 07834. Copyright © 1998 by Point. Printed in USA.

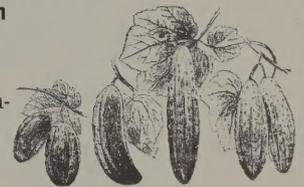


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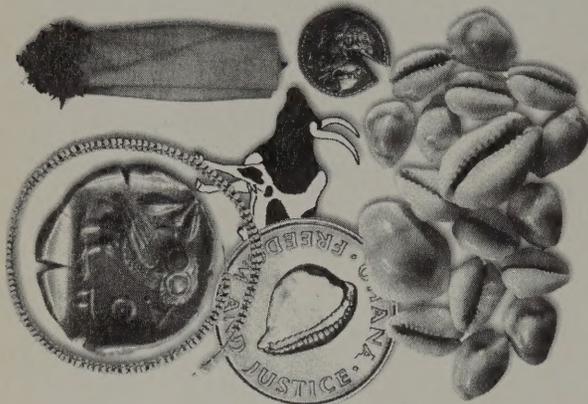


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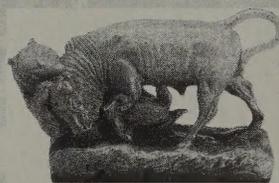
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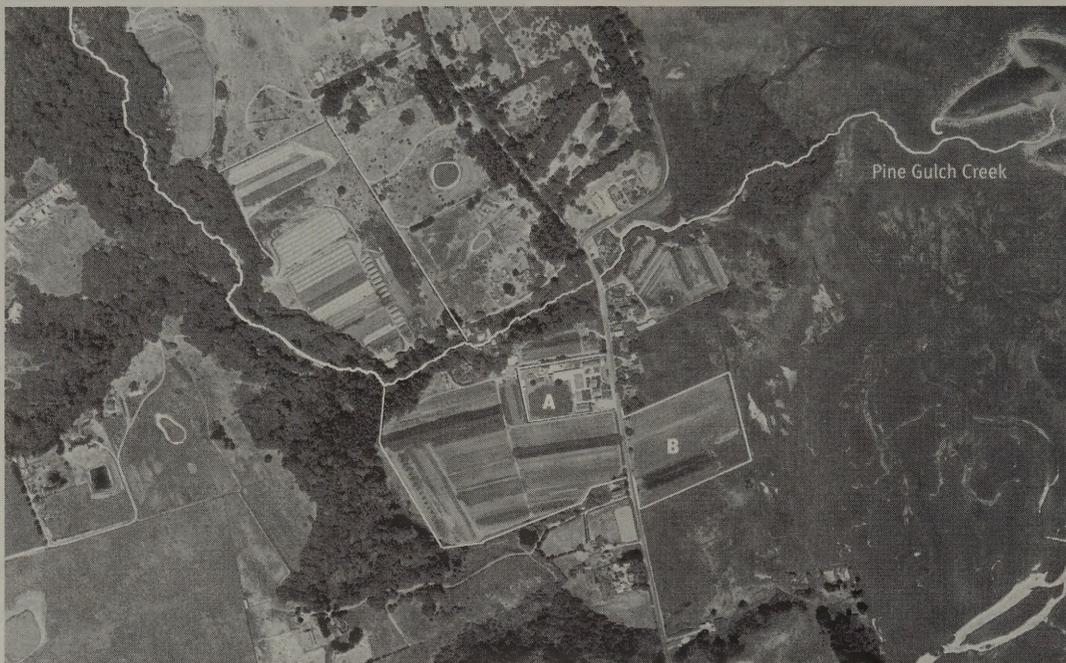


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DANIEL IMHOFF

# Organic In

## Monocrops, Labeling, Biotechnology, and



PACIFIC AERIAL SURVEYS

Star Route Farm surrounds the local elementary school (A). Its pesticide-free farming ensures that schoolkids remain free of those health worries. But the farm has been challenged by two ecological concerns: intrusion into wetlands (B), the potential habitat of the rare black rail; and fears of water diversion damaging the coho salmon runs (C).

WARREN WEBER'S STAR ROUTE FARM couldn't have a more spectacular setting. Surrounding an elementary school, nestled in a hollow, it's a series of organically certified fields spanning a saltwater lagoon and a grassy mesa. Across the lagoon lie the undulating ridges and wooded ravines of Mt. Tamalpais. Behind Weber's house, up on the mesa, most of the town's 3,000 residents make their homes. With fifty acres of production, this is Marin County, California's largest vegetable farm. One would hardly see it as a testing ground for the future of organic farming. But on medium-sized farms like this (and smaller ones) all over the country, serious concerns are emerging about what organic agriculture is now, and what it should or might become.

Over the past two decades the organic farming movement has blossomed into a full-fledged industry. Gross sales of organic food (including processed products) could reach \$4 billion in 1997, according to Bob Scowcroft of the Organic Farming and Research Foundation in Santa Cruz, California. That represents two percent of total food sales, a market share expected to reach

twenty percent by 2010. Increasing mainstream acceptance of organic foods presents a worthy cause for celebration. Larger certified organic acreage means more people (especially children) have access to pesticide-free foods. Greater competition should lead to lower prices, making organic food more available to lower-income families. Farm communities and farm workers benefit from pesticide-free growing practices. And bigger operations contribute more funds to the certifying agencies that enforce codes of conduct.

As demand for organic products is increasing, organic farmers are buying land in warmer climates, and organic vegetables and fruits are becoming more available in every season. Contrary to assumptions held by the movement's early pioneers, organic farmers have found they can grow thousands of acres of monocrop grains, grapes, dairy, meats, vegetables, cottons, and rice. Corporations like Whole Foods and Hain are Wall Street performers, with histories of acquisitions [see *Natural Business* review, p. 10]. In mid-December 1997, the US Department of Agriculture (USDA), after seven years of study, proposed a set of national standards which will

Connections—strings, threads, chains and links.  
Emerging-fading/glittering patterns—mesh, lattice, Indra's net, spider orb, Penelope's shroud, foodweb, the worldwide web, kin & friends.  
Time textures laced from strands of time.  
The domain of community webcraft.

# corporated

## Watershed Activists Challenge the Pioneer Farmer

have major repercussions for growers and consumers. The definitions are seen as a much needed, though potentially damaging, unifying measure, especially as we move toward an inevitable era of organic produce globalization.

Accelerated demand and growth, however, have surfaced a number of deeper concerns: questions of farm scale, best practices, community economics, labor conditions, water rights, habitat protection, and watershed stability.

Many people now wonder whether recent changes will lead to a watering down of "organic" principles to the least common denominator, a narrow definition with numerous loopholes and compromised standards. If this happens, will the small grower be able to compete with the new organic mega-farms?

How can farmers motivate consumers to spend their food dollars on agriculture that is the most sustainable?

### THE BURDEN OF SUCCESS

It could be said that organic agriculture's first phase has ended—won by the hard work of small-acreage farmers, the response of the market, and the power of public opinion. What lies ahead is the need for organic pioneers (and perhaps all small growers) to create a strategy for the next twenty years, tackling not only market hurdles but deeper levels of cultural practices.



Romeo Carrot. Swiss fantasy postcard, circa 1917.

Weber was a member of the original drafting team for the first "rule book" on California organic farming. "When we started in the early 1970s," says Weber, who began market gardening with a horse and plow, "just charting a pesticide-free course was a substantial challenge." Like many pioneers, Weber carved out a market niche. As an urban fringe farmer, he delivers extremely high quality produce to a clientele of San Francisco Bay Area chefs and consumers willing to pay a ten to twenty-five percent premium. Consumer

demand for healthy foods turned out to be stronger than many farmers or investment analysts ever dreamed.

In certain markets, consumers called for a

## Community Supported Agriculture

There are a number of organizations you can call to find out about Community Supported Agriculture farms (CSAs) in your area. Before signing on, study their policies. Some have social programs, such as feeding the homeless, or are associated with a school. Others offer service-oriented subscription arrangements. If there isn't a CSA near you, these organizations may be able to match farmers with communities of willing subscribers. —DI

### Bio-Dynamic Farming and Gardening Association

Kimberton, PA;  
610/935-7797.

**CSA of North America**  
Great Barrington, MA;  
phone/fax 413/528-4374.

**CSA West**  
Davis, CA;  
916/756-8518.

**Mothers and Others**  
San Francisco, CA;  
415/433-0850,  
New York, NY;  
212/242-0010.

### Equity Trust, Inc.

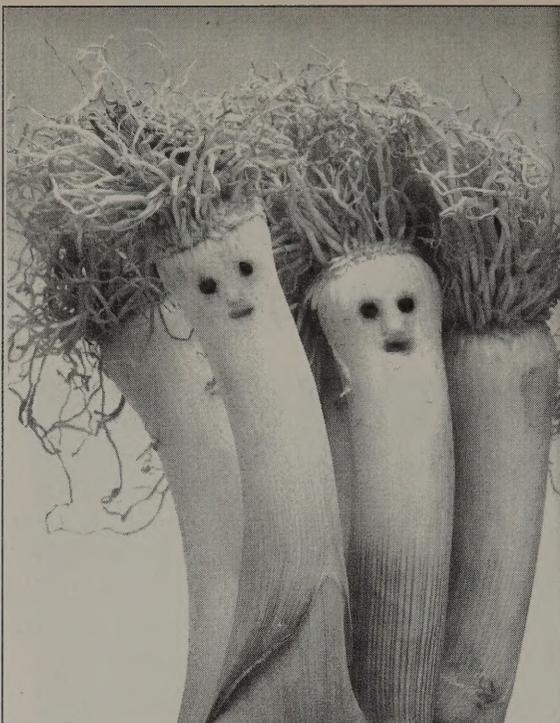
Voluntown, CT;  
860/376-6174.

Has a socially responsible investment fund which offers low-interest loans to CSAs. Also counsels farmers on land tenure issues.

### CSA Reading

Dan Imhoff's chapter, "Community Supported Agriculture: Farming with a Face on It," in *A Case Against the Global Economy*, Edward Goldsmith and Jerry Mander, eds., Sierra Club Books, 1996.

Scallions and pumpkins from *Play with Your Food*. See review p. 10.



year-round supply. Some farmers, like Weber, were limited by seasonal crops. In order to keep his clientele satisfied and captive, he acquired more distant lands in the warmer Coachella Valley and, during the winter, ships his harvests north. Corporate organic farms responded to the year-round market demand by establishing farms in the Imperial Valley, Baja, and Florida.

### STRETCHING THE SEASONS

Eliot Coleman is another veteran organic grower who felt his business required that he stay a step ahead of large organic agriculture's sweep. He and his wife, Barbara Damrosch, farm a fifty-acre parcel in Cape Rosier, Maine, once part of the homestead of Helen and Scott Nearing (of "the Good Life" legacy). In order to counter the increasing importation of "cheap" organic produce from faraway farms, Coleman devised a method of growing in unheated greenhouses to extend his harvest capacity to four seasons. Without hired help, on just a quarter acre, they net \$35,000 selling their four-season harvest to a market just twenty-five miles from the farm.

The fact that industrial agriculture and the USDA now stand in position to co-opt the "O-word" enrages Coleman. "The nice guys weren't prepared when the slime bags descended upon them," he says, citing one exemplary New England organic dairy cooperative that was purchased by a subsidiary of Gulf International. "The new marketing executives arrived, anxious to hype 'the product.'" Coleman is among many farmers who believe that a term other than "organic" should be coined to differentiate small-scale from industrial operations, as well as to set the path for the next phase of the organic farm movement.

### MUTUAL FARMS

"Fresh, local, perishable, and flavorful—these are qualities that can never be taken away from the small farmer by large faraway operations," says Coleman, whose commitment to quality is reputed among regional customers. "Industrial varieties produced without pesticides and shipped across the globe regardless of season still mean plummeting food values." By the late 1990s, after a decade of experimentation, Community Supported Agriculture (referred to as CSA) is coming to the rescue of many small farmers. In this successful system, consumers become subscribers or shareholders in a farm's weekly produce output, assuming some of the farmer's risk while receiving a new range of benefits along with their organic food.

As in the beginning of the organic movement, new directions for the small grower will require pro-active, educated, and sophisticated customers. Food purchases are not just financial decisions, but choices which fulfill a buyer's cultural values as well: participating in the local economy, helping a neighbor stay in business. CSAs have succeeded because they build a connection with a specific farm in addition to selling organic produce. Membership in a CSA provides a vicarious growing experience, and is indicative of a lifestyle choice that requires home-prepared meals and eating with the seasons. Small growers are banking that the consumer's investment will, of course, balance price and food quality. But within this new partnership paradigm, costs should also cover



environmental, fair labor, and other community considerations.

### THE NEW PLAYERS: BIOTECH, IRRADIATION, AND SEWAGE SLUDGE

Contrast the traditional principles of organic farming—cover cropping, plant diversity, beneficial insect habitats—with the major new force driving industrial agriculture: genetic engineering. “The patenting of animal and plant life by corporations and the creation of transgenic species is one of the most terrifying issues of our time, with a direct correlation to organic agriculture,” says Andy Kimbrell, author, activist, and founder of the Center for Technology Assessment in Washington, DC.

“By very narrowly defining biotechnology as only recombinant DNA technology—inter-species genetic transfers [such as splicing a flounder gene into a tomato]—the USDA has left the doors wide open for major corporations to undermine the trust consumers have in organic agriculture.” This means that by default the USDA standards permit certification of the following practices: cell fusion (the sheep/goat cross called “the geep”); gene deletion (Frost Ban strawberries and potatoes); cloning (Dolly, the ultimate monoculture); and double gening (used to enhance a characteristic such as color or flavor). Transgenic species, like the FlavrSavr tomato and others, could still be permitted to be labeled organic unless the USDA collects enough scientific evidence against them.

While biotechnology corporations are rapidly innovating new food gene combinations, many scientists insist that these products are genetically unstable. Gene insertion is an inaccurate procedure, with a lot of uncertainty as to where genes ultimately end up once transferred. It is still unknown whether toxins and allergens will be created in these laboratory-synthesized species, or whether the plants themselves will cross-pollinate with weeds and other plants, transferring unwanted traits (like pathogen resistance) to the weeds.

Will Allen, founder of the Sustainable Cotton Project and a fruit and vegetable farmer in Oroville, California, sees history being repeated with the new USDA regulations. “Each of the consumer

protection laws has been picked apart by large corporate interests, beginning with the first pure food and drug movement and the creation of the US Food and Drug Administration in 1906. The 1910 pesticide law; the 1938 Pure Food, Drug, and Cosmetics Law; the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA); and the Organic Foods Act—all have been diluted by corporate chemical interests.”

Companies insisted that arsenic and lead were safe pesticides as early as the 1870s. Methyl bromide was promoted in the 1930s as the clean rescue chemical for arsenic’s failure, and DDT was touted as non-hazardous in the 1940s. “Now, the same companies are telling us that biotech and irradiation are safe and necessary for a continued world food supply,” says Allen.

The USDA is still considering allowing processed sewage sludge (that may contain heavy metals and organochloride residues) to compete with pure organic soil amendments of green and safe manures [see box]. In addition, to preserve foods and accommodate globalization, large-scale organic agribusinesses want to make irradiation of particular foods acceptable.

“The organic movement has been based upon a high level of consumer trust,” says Kimbrell. “Now the USDA wants to certify genetically altered tomatoes fertilized with sewage sludge and preserved by irradiation.”

### LABELING AND REGULATIONS

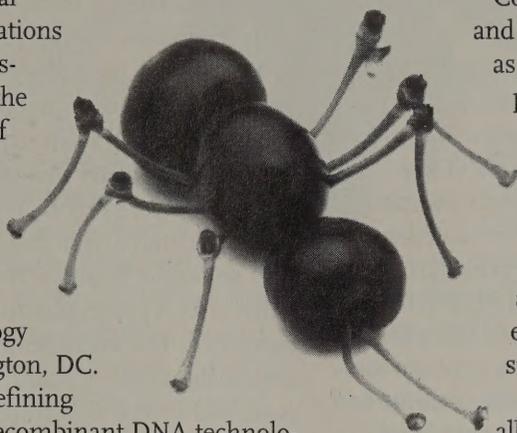
Industrial agricultural growers have increased their use of poisons over the past decade, not only in terms of quantity, but potency as well. Yet they are not required to reveal their pesticide and chemical use at the fruit stand or supermarket. They are still allowed to spray neurotoxins on baby food and not disclose it, and to include genetically altered, herbicide-tolerant soybeans into infant formula without notification.

### USA Sludge

Researchers from Cornell University and the American Civil Engineers have found more than 60,000 toxic substances and chemical compounds in US sewage sludge, and report that 700-1,000 new substances are developed

every year, some of which also enter the sewage stream. These substances include PCBs, pesticides, dioxins, heavy metals, asbestos, petroleum products, and industrial solvents, many of which are linked to ailments ranging from cancer to reproductive abnormalities. They

are also a threat to soils: once introduced to cropland, for example, heavy metals persist for decades (as in the case of cadmium) or even centuries (as in the case of lead).  
From “Recycling Organic Waste: From Urban Pollutant to Farm Resource,” by Gary Gardner in *Worldwatch* Paper #135, August 1997.



Cherry ant from *Play with Your Food*. See review p. 10.

USDA definitions of organic are seen as a much-needed step to consolidate the standards of about forty independent certification agencies and thirty-three different state labels presently in place across the country. The lack of a single national standard causes limited development of important export markets such as Europe. And the individual state requirements range from stringent (California) to lax (Indiana and Connecticut). The pioneer growers wonder: Will labeling regulations end up hiding information from the consumer as opposed to enlightening and educating them?

Will the labels result in meaningless, generic,

weak definitions of organic? Will new rules freeze attempts to evolve the better-than-organic farm?

Will Allen has been marketing his Ganesha Growers melons, garlic, onions, and flowers as "isolated chemical-free beyond organic" for the past two years, even though he has been a member of California Certified Organic Farmers (CCOF) for decades.

"Across the country a ground swell is taking place," Allen says.

"Farmers are moving beyond organic standards and educating their customers about these efforts."

For example, there is a "No Sweat" movement around fair labor practices. "Organic farmers, more than chemical farmers, need a more stable, educated (in organic techniques) and committed work force," Allen explains. "Some farms are now being unionized around worker benefits and worker education issues. 'Habitat Treatment' programs protect certain species. Other farms are developing strategies and markets using indigenous (American Indian) practices that require a 200-year plan."

## WATERSHED FARMING AND RARE SPECIES PROTECTION

"What we failed to take into account when we devised California's organic standards," says Warren Weber, "was the ecological perspective of how a farm affects habitat and water." Weber

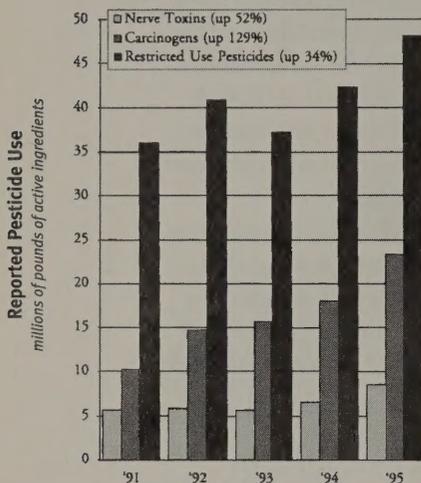
fears that without some new orientation and direction, organic farming may ultimately end up mimicking the multinational, industrial scale model it rebelled against.

This self-criticism is borne out in his present dilemma. The eastern edge of Star Route Farm is believed to have formerly provided habitat for the black rail, an endangered wetland bird. Weber cleared, fenced, and drained the land, allegedly without knowledge of the new federal wetland mitigation laws. Various residents have objected to the clearing, regardless of whether the land is organically farmed or not. In addition, the creek he uses as an irrigation source diverts water that might help spawning coho salmon. Tensions have ultimately arisen from farming land according to property lines rather than a geographically defined watershed. The townspeople, Weber, a technical advisory board, and local, state, and federal government agencies all shied from a timely definition of water rights, sensitive habitat areas, zoning definitions, in-stream flow requirements, and other aspects of watershed ecology. Governance failed and lawsuits erupted.

In the near future, each organic farm could include a site-specific ecology, and a certification program that more closely resembles those developed for sustainable forestry—ensuring that relationships between the wild and the cultivated are carefully managed. Farm practices, according to Land Institute founder and author Wes Jackson, should more closely resemble the ecosystems they are embedded in, rather than depending upon extracted materials, destructive cropping, and imported energy to support them.

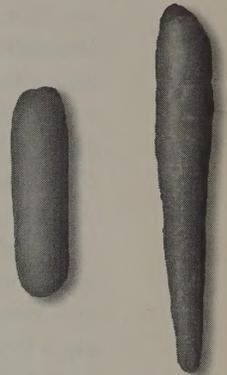
"We have to work more closely with ecologists and set goals to improve habitat that are both practical and achievable," admits Warren Weber. "It means taking into account watershed issues, endangered species, and habitats, among other things." Weber believes that a new model must be developed to set the rules for such a process, and he believes California farmers can once again lead the way.

"Maybe it's called 'habitat-enhanced,'" he says, referring to practices which include workable agricultural solutions to solve ecological problems as well. He could change his brand to Black Rail Organics or Coho Farms as the new paradigm organizes itself. "Farmers are always managing," he says. "This new movement must be organized by the growers. The coalition hasn't emerged yet, that's all."



California agriculture's pesticide usage increased 37% between 1991 and 1995, contradicting the claim that Integrated Pest Management is making conventional farming safer for everyone. Carcinogenic pesticides shot up 129% during that period, and acute neurotoxin use increased by 52%.

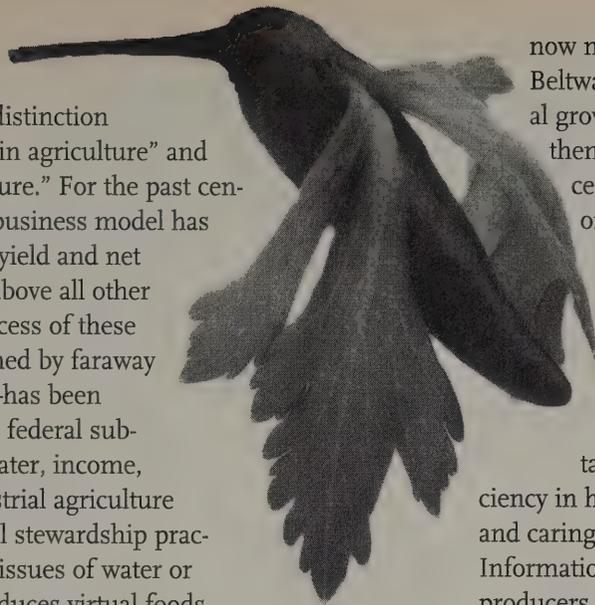
Agroecologists remain locked out of taxpayer-funded universities in favor of genetic engineers. Government grants support conventional approaches (pesticide-intensive and biotechnology) on an almost conspiratorial scale. Only 1% of USDA-funded projects over a five-year period pertain in any way to organic: a mere 300 out of 30,000 grants, for an economic disparity of \$1 million to \$9 billion.



Are your baby carrots really miniature or just a big carrot cut to 2" lengths, shaved, and then polished to round the corners? Look at the top where the green was supposed to grow. The variety "caropak" is grown in tight clusters to make them skinnier. They require fewer days than "real" carrots. Over 450 million pounds of these "baby cut" (shaved) carrots are grown in California.

## THE BEGINNING

Wes Jackson has stressed the important distinction between the "problems in agriculture" and the "problem of agriculture." For the past century, the industrial agribusiness model has emphasized maximum yield and net returns on investment above all other considerations. The success of these mega-farms—often owned by faraway absentee corporations—has been heavily dependent upon federal subsidies for food prices, water, income, and research. The industrial agriculture model in fact has no soil stewardship practice and largely ignores issues of water or energy efficiency. It produces virtual foods, promotes questionable concern for livestock welfare, and often relies upon unacceptable employment practices. Yet it serves the bottom line at the checkout stand. Grassroots activists and organic pioneers have effectively challenged ag-biz for two decades. But in a cat and mouse game that has



now moved to inside the Beltway, it appears that industrial growers are positioning themselves to co-opt the success and integrity of those organic pioneers.

The deeper challenges that lie ahead are formidable: product transparency, equal price and income subsidies, watershed ecology and habitat restoration, water efficiency in harmony with river flows, and caring employment practices. Information shared between food producers and con-

sumers can confront the problem of agriculture. The new market still deserves a premium price, and the movement merits appropriate representation in terms of federal funding, labeling, and certification. ⊕

Vegetable hummingbird from *Play with Your Food*. See review p. 10.

We welcome Dan Imhoff as a Whole Earth contributing editor. Dan is a freelance writer specializing in design, sustainable agriculture, and the environment. He has written for, among others, *Communication Arts*, *Saveur*, and *Plain*.

## Organic: Know and Grow

You can read the USDA's current proposed standards and register your comments on the Web: [www.ams.usda.gov/nop](http://www.ams.usda.gov/nop).

**The Committee for Sustainable Agriculture**  
406 Main Street, Suite 313,  
Watsonville, CA 95076;  
408/763-2111,  
fax 408/763-2112.

Sponsor of the annual Ecological Farming Conference for seventeen years, as well as other outreach and teaching programs.

**CSA Farm Network**  
Steve Gilman, Coordinator.  
130 Ruckytucks Road,  
Stillwater, NY 12170;  
518/583-4613.

An important regional publication that helps link organic farmers with resources, strategies, and each other. A partner project with the Northeast Organic Farming Association.



**Food and Water**  
389 Vermont Rte. 215,  
Walden VT 05873; 802/563-3300, fax 802/563-3310.

Challenges the need for technologies, processes, and additives that threaten the environment, human health, and the safety of our food supply. Publishes quarterly *Food & Water Journal*.

**The Humane Society of the United States**  
Dr. Melanie Adcock, Vice President, Farm Animals and Sustainable Agriculture, 2110 L Street, NW, Washington, DC 20037; 202/452-1100

Their 5.7 million members and constituents are fighting for inclusion of specific standards for livestock treatment in the new USDA organic regulations.

**Organic Watch**  
310 D Street, NE,  
Washington DC 20002,  
202/547-9359,  
fax 202/547-9429.

A newly formed coalition, created by the International Center for Technology Assessment, dedicated to the organic standards effort for the last decade. It includes scien-

tists, agricultural experts, lawyers, activists, and the public interest community.

**Just Food**  
625 Broadway, Suite 9C,  
New York, NY; 212/674-8124,  
fax 212/505-8613,  
[justfood@igc.org](http://justfood@igc.org).



Dedicated to promoting regional food production and consumer groups in New York City.

**The Land Institute**  
2440 E. Water Well Road,  
Salina, KS 67401; 785/823-5376, fax 785/823-8728, [the-land@midkan.com](http://the-land@midkan.com).

Conducts research centered on farming modeled on native prairies, with an emphasis on building soil. Publishes the *Land Report* three times a year.

**Organic Farming Research Foundation**  
Bob Scowcroft, Executive Director. PO Box 440, Santa Cruz, CA 95061; 408/426-6606, fax 408/426-6670, [research@ofrf.org](mailto:research@ofrf.org).

The only group supporting organic farming grant-making research and advocacy in the US. OFRF educates present and future users of organic production systems, as well as the public and decision-makers.

**Organic Trade Association**  
PO Box 1078, Greenfield, MA 01302; 413/774-7511, fax 413/774-6432, [ota@igc.apc.org](mailto:ota@igc.apc.org).

Provides information about the organic products industry: farmers, certifiers, manufacturers, processors, distributors, retailers, etc.

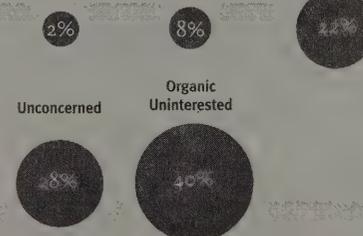
**The Sustainable Cotton Project**  
6176 Old Olive Highway,  
Oroville, CA 95966, 530/589-2686, fax 530/589-2688, [suscotton@sunset.net](mailto:suscotton@sunset.net).

Partly responsible for the establishment of an organic cotton industry in California, bringing together farmers, manufacturers, government officials and others.

**The Evolving Organic Marketplace**  
A Hartman & New Hope Industry Series Report, Fall 1997. Hartman & New Hope, 10422 SE 14th Street, Bellevue, WA 98004; 425/452-0818, fax 425/452-1506, [hartman 29@idt.net](mailto:hartman 29@idt.net).

The most fertile strategic report on the organic market. Crucial reading for farms, coops, distributors, et. al. —PW

Organic Purists      Organic Pragmatists      Organic Attracted



Food and environment consumer segments, from Hartman and New Hope's, *The Evolving Organic Marketplace*.

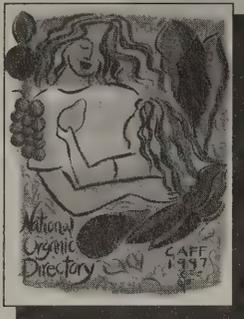
## The National Organic Directory 1998

\$44.95 (\$50.95 postpaid) Community Alliance with Family Farmers, PO Box 464, Davis, CA 95617; 800/852-3832, fax 916/756-7857, [caff@igc.apc.org](mailto:caff@igc.apc.org).

The **National Organic Directory**, updated each year by the California Alliance with Family Farmers (CAFF), is the country's most thorough publication on the industry.

An annotated directory, the book offers detailed descriptions and contacts for an inclusive spectrum of farmers, certifying groups, wholesalers, brokers, and grassroots activist groups. Guest writers address current issues of organic certification (sure to be a hotbed of discussion given present Beltway considerations), while a comprehensive list of publications and newsletters related to organic farming are

offered as well. There seems to be something for everyone in the directory, whether you want to grow, buy, sell, or write about organic foods. —Daniel Imhoff



## Play with Your Food

Joost Elffers. 1997; 112 pp. \$19.95. Stewart, Tabori & Chang, 115 West 18th Street, New York, NY 10011; 212/519-1200.

Food as art might not seem such a novel concept, but we're not talking about haute cuisine or frilly California plates. Remember what Mom cooked with, but forget all those dinnertime admonishments to sit up straight and to take your elbows off the table—it's time, at last, to play with your food.

Joost Elffers has found a new way of creating life forms; his medium, and now ours too, is the cornucopia of the garden and the orchard. We see ourselves and our animal friends looking back at us as transformed plants, beautifully photographed in lush color and great light. But when you open the fridge from here on in, fear not! The faces, whether fierce, anguished, surprised, or friendly will make you smile. And if they don't, well,

pass the salt, and *gulp!* they're gone. (See "Organic Incorporated," pp. 4-9 for some black-and-white sample snacks.) —ET

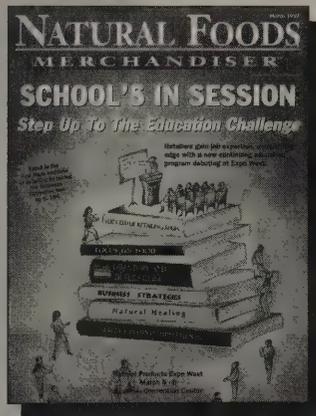


## Natural Foods Merchandiser

\$60/year (12 issues). New Hope Communications Inc., 1301 Spruce Street, Boulder, CO 80302-4832; 303/939-8440, fax 303/939-9559.

Anyone who doubts that organic foods is a bona fide industry need only pick up a copy of the **Natural Foods Merchandiser**. Jam-packed with articles, editorials, book reviews, and advertisements, the **NFM** is mainly targeted at retailers, wholesalers, and brokers of natural foods.

The glossy, tabloid format deals mostly with health and natural foods. Subjects also include vitamins, teas and herbal medicines, cosmetic and hygiene products, and business stories. Once you penetrate its slick image and ad-intensive layout, the **NFM** offers many layers of information, insight, and resources, not only about the organic food business, but the holistic lifestyle as well. —DI



As European boycotts and protests over the arrival of unlabeled shipments of genetically engineered U.S. soybeans continue to make headlines in England and Belgium, the U.S. press remains strangely quiescent over the issue, even though the modified beans have been integrated into domestic soybean supplies. But among natural products consumers, as grassroots groups spread the word, concern is building over lax biotech food-labeling laws, and natural products manufacturers and retailers are beginning to respond. . . . The soybeans in question were engineered by Monsanto

using a genetically modified organism (GMO) taken from soil bacterium to make the beans resistant to the effects of the company's own wide-spectrum herbicide Roundup. Other genetically modified food crops soon to come to market include corn, canola oil and tomatoes.

## Natural Business

\$249 US/year (12 issues). Natural Business Communications, PO Box 7370, Boulder, CO 80306; 303/442-8983, fax 303/440-7741; [naturalbiz@aol.com](mailto:naturalbiz@aol.com), [www.naturalbiz.com](http://www.naturalbiz.com).

A pricey monthly newsletter of the now quarter-century-old "New Age" market niches. The price reflects major market share in the food, medicine, and cosmetic industries. The weekly news fax update costs an extra \$149/year. —PW



Privately held Mars Inc. is acquiring Santa Fe-based Seeds of Change on the heels of Seeds' successful launch of a 17-product organic foods line. It's the candy maker's second natural products venture.

Driven by favorable scientific studies, drug recalls and positive press in mainstream media, sales of St. John's wort, ginkgo, gotu kola and herbal fen-phen are posting monstrous sales gains in natural products stores

FDA acted on a three-year-old petition by New Jersey-based medical-products sterilizing company Isomedix Inc. and approved on Tuesday the irradiation of red meat with gamma rays to kill E. coli and other bacteria. It also changed dosage levels for pork, for which irradiation had been previously approved. New labeling requirements allow packers to move the irradiation message to small lettering on the back of the package rather than prominently on the package front, as was previously required. Mainstream meatpacker ConAgra says it will consider irradiating food, but hasn't decided whether, or when, to market it. Paul Gingerich, meat director of Wild Oats Markets (OATS), says OATS is

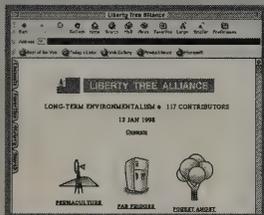
opposed to irradiated food. "Wild Oats does not approve of irradiation of any food products," he says. Ann DuPelka, director of consumer affairs for natural beef maker Coleman Natural products, says Coleman does not plan to use irradiation. "It's an issue with lots of questions and concerns. More investigation needs to be done," she says.

“ Because of the TVA’s involvement in utility power generation and its location in the coal strip-mining country of the Southeast, the power folks asked Hammer whether these wetlands worked for acid drainage from mining. Hammer had seen such projects while camping. They were constructed by beavers, but he didn’t mention that fact....

“Coal companies currently spend over one million dollars a day in conventional [acid mine drainage] pollution abatement. Conventional treatment is typically caustic soda, which raises the pH and precipitates out the irons. But the maintenance is very high because the ‘good ole boys’ come up every Sunday afternoon and see if they can put a slug through the tank. You come up on Monday morning to find the caustic soda all over the road or the stream.

“When we noticed that natural wetlands including a beaver dam had red water coming in and clean water coming out, we thought, ‘If a beaver can do that, we can do that.’ But when a bureaucracy builds a beaver dam, it is different from when a beaver does. After the ‘dozers got through, we went in and planted cattails and bulrush. Throughout the summer and fall, a pretty little marsh-pond complex changed a dead acid stream into almost trout-clean water, with a dramatic improvement in the iron, manganese, and solids.” —RESTORING THE EARTH

[www.libertytree.org](http://www.libertytree.org)



Liberty Tree Alliance is right at the top of our favorite-website list. A tiny full-time staff and a nationwide circle of friends “think ecology, follow the money, speak freely, take a joke.” Daily commentary by Conn Nugent, onsite and Capitol Hill reportage, and essays are leavened with mind-stretching features. Check out Donella Meadows, David Orr, and Wes Jackson on essential reading in environmental studies, or five dozen experts’ annotated most-useful-Websites lists (Sim Van der Ryn on architecture, Mark Ritchie on trade, D. J. LaChappelle on football). *The Grove*, their bi-monthly email newsletter, includes news from theirs and other sites and a wonderful Donella Meadows column. Subscribe directly from the website or by sending email to [libertytree@igc.org](mailto:libertytree@igc.org). —MKS



## Eco-Pioneers

**Practical Visionaries Solving Today’s Environmental Problems**  
Steve Lerner. 1997; 462 pp. \$25.  
MIT Press.

## Restoring the Earth

**Visionary Solutions from the Bioneers**  
Kenny Ausubel. 1997; 274 pp. \$12.95.  
HJ Kramer. Distributed by  
Tattered Covers, 800/833-  
9327, 303/322-7737.

Lots of good news for a change, or, more accurately, of change—this pair of newcomers presents many of the heavy cutters at the fabled cutting edge of what is loosely dubbed “sustainability.” Steve Lerner, author of

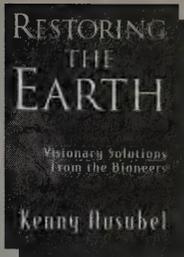


“ With bigger and bigger orders rolling in, the prospects for Natural Cotton Colours looked good. But not everyone was enthusiastic about colored cotton. It was at this point that Fox ran into the Acala Cotton Board, the San Joaquin Valley cotton industry association, which refused to give her a permit to grow 2000 acres of colored cotton. Their action was based on a 1925 California law prohibiting farmers from growing more than 200 acres of colored cotton. The law was established to protect California’s highly valued, pure-white cotton from being contaminated with strains of colored cotton through cross-pollination.

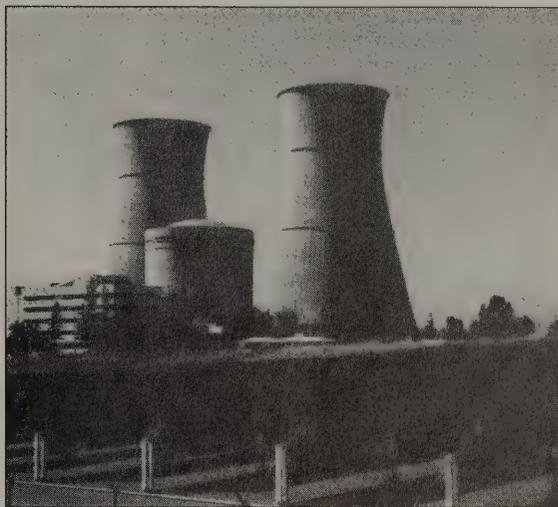
—ECO-PIONEERS

“ And so were born Anna Edey’s “solar dynamic, bio-benign greenhouses,” famed for their mojo magic of chicken breath. She speculates that it may double the plants’ productivity.... According to Edey’s calculations, each animal puts out about eight BTUs of energy per pound per hour, which gives the heat equivalent to 2.5 gallons of fuel oil per animal for six months’ heating....She has honed its economics to a fine art, and has a franchise plan to supply greenhouse designs and marketing plans for entrepreneurs to gross over \$200,000 a year on a third of an acre providing their communities with fresh organic produce.

—RESTORING THE EARTH

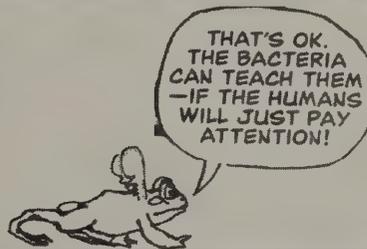


*The Earth Summit and Beyond the Earth Summit*, is research director at Commonweal. Kenny Ausubel, founder of Seeds of Change, has hosted the annual Bioneers Conference (WER No. 89) since 1990. They take slightly different approaches. Steve Lerner presents straightforward mini-bios. Kenny Ausubel is more interested in affairs of the spirit. The basic idea is the same: inspire readers with the stories of and from real people doing what needs to be done instead of fretting about finding a job or being downsized. Or quitting in despair. You’ll probably be glad to meet them all, even if you don’t need role models. —J. Baldwin



Solar panels surround Sacramento Municipal Utilities District’s defunct nuclear power plant.  
—ECO-PIONEERS

STEVE LERNER

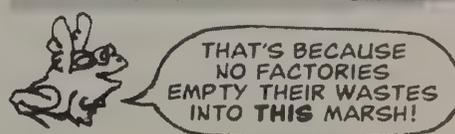
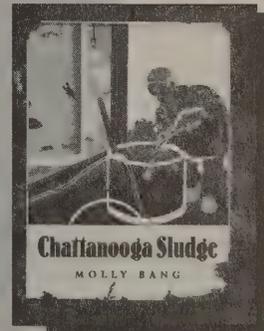


THAT’S OK. THE BACTERIA CAN TEACH THEM —IF THE HUMANS WILL JUST PAY ATTENTION!

## Chattanooga Sludge

Molly Bang. 1996; 48 pp.  
\$16. Gulliver Green/Harcourt Brace.

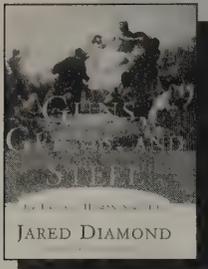
It’s intended for the kiddies, but this niftily illustrated documentary may be the best explanation in print of John Todd’s water-cleaning “Living Machines™.” It’s commendably free of ecodogma, too. —JB



THAT’S BECAUSE NO FACTORIES EMPTY THEIR WASTES INTO THIS MARSH!

## Guns, Germs, and Steel The Fates of Human Societies

Jared Diamond. 1997; 480 pp.  
\$27.50. W.W. Norton.

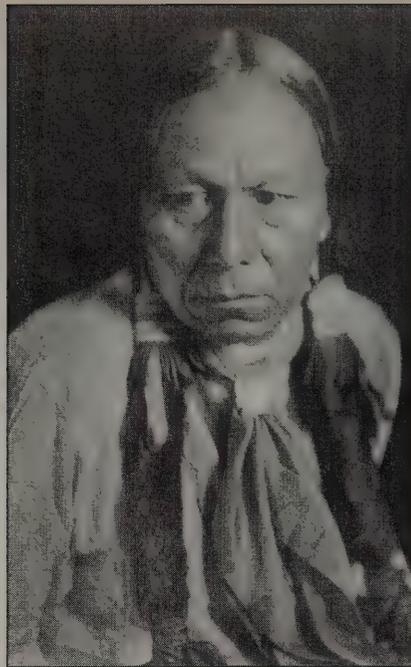


A 13,000-year history in which biogeography—not culture, race, big ideas, great men, capital, labor, or love—channels the rise and fall of civilizations. Though less than one percent of *Homo sapiens'* tenure on Earth, it is the post-Ice-Age period that frames the questions we ask as well as the food we eat.

Diamond is readable, comprehensive, provocative. The most important book on meso-scale history in this century. —PW

Above: Pawnee.  
Left to right:  
New Guinea  
highlander;  
Aboriginal  
Tasmanian  
woman; Tungus  
woman from  
Siberia; Scan-  
dinavian woman;  
Armenian man;  
Nuer man from  
Sudan.

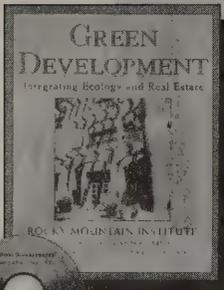
“Diverse epidemic diseases of humans evolved in areas with many wild plant and animal species suitable for domestication, partly because the resulting crops and livestock helped feed dense societies in which epidemics could maintain themselves, and partly because the diseases evolved from germs of the domestic animals themselves.



## Green Development

### Integrating Ecology and Real Estate

Rocky Mountain Institute, Alex Wilson,  
*et al.* 1997; 522 pp. \$54.95.  
John Wiley & Sons.



Inevitable. Inexorable. Despised. How can development be green? A group of researchers at Rocky Mountain Institute insists that real estate development can be designed to minimize damage to natural systems, and even restore those already damaged—while providing a wonderful sense of place and commu-

nity. And that it can provide an acceptable profit for the developers and their investors.

The proof? Eighty examples that are working well. The attributes (and difficulties) are presented in the business lingo of

“ [Marketing director, Jill Mayfield] offers the following tips:

- Use the phrase “environmentally sound” rather than “green.”
- Stay away from technical information until getting the prospective buyers into the house, at which point they will be more interested in details.
- Get them to look at the house by talking in emotional terms and taking it down to the family level. Families are looking for safe, comfortable places to live. Don't talk

those who need convincing before they'll go and do likewise. There are chapters on site planning, building design, approvals, financing, and marketing. Unlike a lot of unrealistic gnashing from the we-must crowd, the information and advice comes from practical field experience.

And there's more: A very professional Green Developments CD-ROM features 100 successful examples, with the designers, producers, and financiers talking right at you in color. You can see and hear their satisfaction and excitement.

With wide distribution, this book and CD will surely be among the most ecologically beneficial ever published. Read it. Pass it on. Give it as a gift. As architect William McDonough says “Ignorance ends today, negligence starts tomorrow!” —J. Baldwin

about killing the planet—keep it positive. Focus on the positive effects on families; explain that you are providing a healthier home for them and their family, thanks to nontoxic materials. Show them that using recycled materials and energy and water conservation is the right thing to do, emphasizing that by choosing to live this way, they'll make a difference.

- Be bold. Call a media person—if not, nobody will ever know what you are doing.

“ Ancient Native Mexicans invented wheeled vehicles with axles for use as toys, but not for transport. That seems incredible to us, until we reflect that ancient Mexicans lacked domestic animals to hitch to their wheeled vehicles, which therefore offered no advantage over human porters.

“ Fertile Crescent and eastern Mediterranean societies had the misfortune to arise in an ecologically fragile environment. They committed ecological suicide by destroying their own resource base. Power shifted westward as each eastern Mediterranean society in turn undermined itself, beginning with the oldest societies, those in the east (the Fertile Crescent). Northern and western Europe has been spared this fate, not because its inhabitants have been wiser but because they have had the good luck to live in a more robust environment with higher rainfall, in which vegetation regrows quickly.



A “truth wall” in a model home is a cut-away sample of a wall that shows customers the building before it is drywalled or otherwise finished. Customers get to see exactly

how the insulation and air barrier are installed, for example. This teaches potential buyers about building in general, and why the house is better than its competition.

“ Engaging consultants and convening groups of people are viewed by some developers as cost-prohibitive and time-consuming. Yet time and again, green developers proclaim that time invested in front-end planning from a whole-systems perspective is time well spent. John Clark claims his front-end, team-oriented approach has saved him millions. He compares the \$400,000 cost of Haymount's planning process to that of a nearby property where the developers spent only \$135,000, but have been required to revise plans numerous times and to deal with zoning and entitlement costs that have pushed their planning cost up to \$8 million.

## Alternative Travel Directory

Clayton A. Hubbs, general editor.  
1998; 393 pp. \$19.95  
(\$23.95 postpaid).

## Work Abroad

### The Complete Guide to Finding a Job Overseas

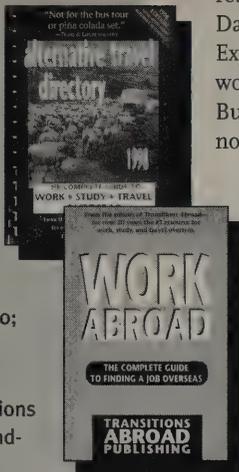
Clayton Hubbs and Jason Whitmarsh, general editors. 1998; 218 pp. \$15.95 (\$19.95 postpaid).

Both from Transitions Abroad Publishing, PO Box 1300, Amherst, MA 01004-130; 800/293-0373, fax 413/256-0373, trabroad@aol.com.

These books are compilations of material from the commendable bi-monthly *Transitions Abroad* [MWEC, p. 336], and are updated yearly. Check out their website ([www.transabroad.com](http://www.transabroad.com)) for the most current information, indexes and reprints of selected articles from past issues, and online ordering of their publications.

The **Alternative Travel Directory** comprises four hundred pages of essential information, well sorted and suited for intrepid folks who aren't interested in commercial tours. Chapters attend travel, study, and work, just about anywhere. The special needs of seniors, disabled, and high-school students have been included—an unusual service. It's the most useful alternative travel directory I've ever seen.

**Work Abroad:** Always a tantalizing possibility, yes? Here's savvy advice on your chances, complete with suggested preparation and necessary connections, by region and country, right down to websites and phone numbers. There's a tempting bit on teaching English. Hmmm. —J. Baldwin



“VIETNAM AND LAOS: A PEOPLE-FOCUSED TOUR. Experience two rich cultures, war's impact, people's effort to rebuild. See Hanoi, Halong Bay, Danang, Hue, and Ho Chi Minh City. Experience beautiful Laos—one of the world's poorest countries where Buddhism is a way of life and virtually no one goes hungry. Visit clinics, schools, co-ops, craftspeople, and villages.

Dates: Aug 3-21, 1998. Cost: \$4,495 from San Francisco or Los Angeles. Includes roundtrip airfare, flights within each country, all accommodations, 2 meals per day, guides and land transport. Limited to 10 participants. Contact: Our Developing World, A Nonprofit Educational Project, 13004 Paseo Presada, Saratoga, CA 95070-4125; (408) 379-4431, fax (408) 376-0755; vic\_ulmer@vval.com.

—ALTERNATIVE TRAVEL DIRECTORY

“Last May, I flew to Ft. Lauderdale with only a backpack, the addresses of three crew-placement agencies, and the desire to work on a yacht. Within four days, I moved onto a private 150-foot yacht bound for the Mediterranean.

Experience is helpful, but not necessary. What matters to the agencies and captains is that you are hardworking, clean-cut, professional, and trustworthy. Many jobs are combined positions such as deckhand/chef, stewardess/chef, or deckhand/stewardess. Be flexible. Job interviews are informal: shorts and a nice shirt are the norm. Show up early at the agencies. Remember that the moment you walk in the agency door you are at a job interview and act accordingly. Before you know it, you'll be on your way.

—WORK ABROAD

“DISABILITY TRAVEL. Outdoor activities, holidays and courses for people with disabilities.... A traditional Cumbrian farmstead converted and adapted to give fully accessible accommodations. Activities led by experienced and qualified staff include climbing, canoeing, kayaking, sailing, riding, trap driving, hill walking, orienteering, archery, and camping.

Dates: Year round. Cost £160-£290. Full week includes full board and activities. Contact: The Calvert Trust, Little Crosthwaite, Keswick, Cumbria, CA12 4QD, U.K.; (011) 44-17687-72254, fax 73941. —ALTERNATIVE TRAVEL DIRECTORY

## The African-American Travel Guide

Wayne Robinson. 1997; 308 pp. \$15.95 (\$18.95 postpaid). Hunter Publishing, 130 Campus Drive, Edison, NJ 08818; 800/255-0343, 732/225-1900, fax 732/417-1744.

This savvy and well-organized book provides business travelers and tourists with hundreds of listings for historic homes, hotels, museums, galleries, bookstores, shops, restaurants, and heritage tours throughout North America.

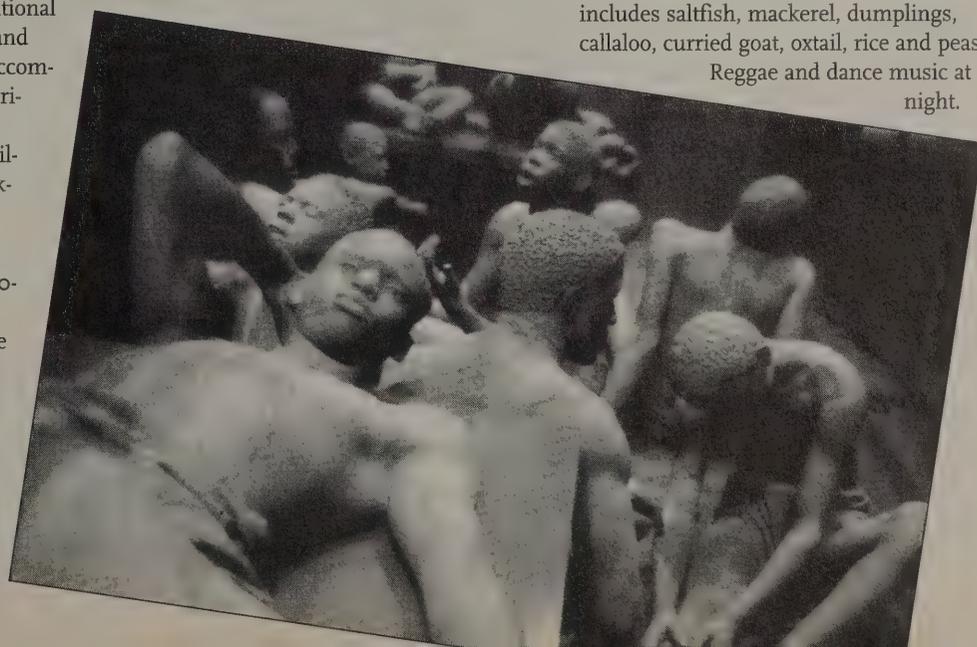
I was especially pleased to see the section on African Americans in Canada; Ontario (home of the black-owned Jean Pierre Esthetics and Spa) really piqued my interest. His write-up on the Motown Museum and the Museum of African-American History made me want to go to Detroit, a city I've not had a great interest in visiting. The **Guide** includes a simple downtown map of each city noted. The appendix lists black-owned bed and breakfasts; I was thrilled to find one in Oakland, less than three miles from my home.

Whether you go wanting to steep yourself in black businesses, history, and culture, or to shop and boogie the trip away, this guide will help you. Those who study, research and plan urban centers, as well as historians, should also consider adding it to their reading lists. —Daphne Muse

“[MEMPHIS] NATIONAL CIVIL RIGHTS MUSEUM: Lorraine Motel, 450 Mulberry Street, 901-521-9699. Historic site where Dr. Martin Luther King, Jr. was assassinated on April 4, 1968. The nation's first museum dedicated to the history of the American Civil Rights Movement. Buffalo Soldiers apparel items for sale. Special events throughout the year.

“[ONTARIO] CLUB EPIPHANY RESTAURANT & LOUNGE, 11 Arrow Rd., North York, 416-740-9389. Classy Jamaican and Canadian restaurant. Sunday brunch includes saltfish, mackerel, dumplings, callaloo, curried goat, oxtail, rice and peas.

Reggae and dance music at night.



*Tight Pack*, portraying enslaved Africans, featured at the Museum of African-American History, Detroit. Photo courtesy of the Museum of African-American History. —THE AFRICAN-AMERICAN TRAVEL GUIDE

Victor Perera

# SANCTUARY FOR THE RIGHT WHALE



The kelp gull.

All photos copyright Jasmine Rossi.

**O**N THE CLIFFS OVERLOOKING Península Valdés, in Argentine Patagonia's Chubut Province, the jawbones of twelve-million-year-old fossil whales look down on tour boats crammed with camera-toting enthusiasts. Many of these visitors have traveled thousands of miles to witness the return

to the northern Patagonian bays of hundreds of southern right whales, the descendants of the Miocene giants embedded in the cliffs.

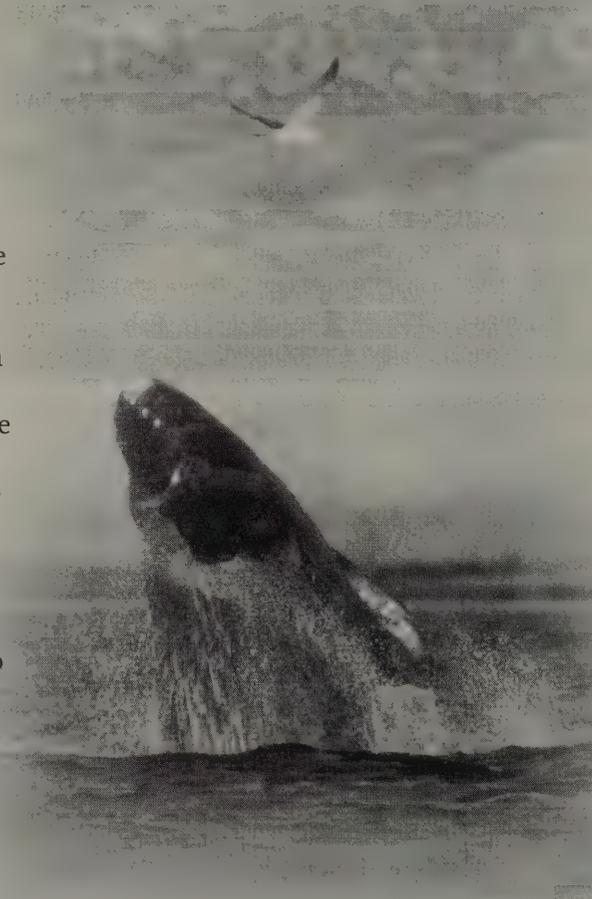
I was on one of these boats in September, 1996, following a group of whales cruising south along the cliff ledges of Golfo Nuevo, when three seagulls swooped out of the sky to attack a mother and calf. The mother had a sizable white lesion behind her blowholes, which seemed to provide an incitement to the gulls. They took turns dive-bombing the whale just as she made her V-spout. She arched her back and dove, but as soon as she re-surfaced a kelp gull landed in the same exact spot behind the nostrils and began to dig into the open lesion with its beak, swallowing chunks of skin and blubber. I was already bewildered by the captain's aggressive maneuvers, cornering the mother and calf against a ledge and forcing them to sound in order to escape. As soon as they surfaced—and it was clear that the calf could not stay long underwater—the gulls were back on the lesion. It was difficult to distinguish whose harassment, the seagulls' or the boat captain's, was causing the mother whale more discomfort.

At last count, a little over 1,300 whales have been identified in the Península's two bays, Golfo Nuevo and Golfo San José, where they mate and birth their young in the austral spring and early summer, as they have for millennia. The recovery of the southern right whales from the brink of extinction is all the more remarkable, given that they and their northern counterparts (which are down to 300 individuals) were the most intensely hunted of all the great whales.

The nineteenth century Yankee whalers from Nantucket and New Bedford, who sailed the Atlantic to butcher thousands of the whales, named them the "right" whale to hunt because their blocky shape made them easy targets for the harpoon, and their thick coats of blubber yielded thousands of gallons of oil. Moreover, right whales float when harpooned, unlike more streamlined rorquals like the blues and fins, whose carcasses had to be

pumped full of air to prevent them from sinking.

Commercial hunting of the southern right whale off Chile ended in the early 1980s, five decades after the International Whaling Commission declared it a protected species. Since then, southern right whales' only predators in Península Valdés have been an occasional shark and a pack of killer whales which patrol the northern Patagonian waters. Orcas will occasionally attack whale calves and drive them to strand on the beaches, where they die from shock and exposure.



Yes! No!  
Cooperation;  
competition;  
Symbiosis/Parasitism  
Adaptation/Extinction  
Chance  
emotion  
reason  
The dance of Monarchs  
with millweeds,  
farmers with birds  
A system?  
Ecological, market,  
techno-spiritual  
Tools and practices  
for folks caught  
up in dynamic,  
interactive time

# EXTINCTION IS FOREVER BUT STEWARDSHIP NEVER ENDS

In recent years a new predator has arisen in the growing population of kelp gulls who are nesting near the bays to feed on the waste products of fish-processing plants. Gulls have long been seen landing on whales' backs to pick off peeling skin, but none had been recorded gouging out chunks of blubber until the late seventies, when this phenomenon was first observed by marine biologist P.O. Thomas. The results of his 1984 study, which recorded an alarming surge of gull attacks on mother whales (but not calves), suggested a new element had entered the picture to upset a symbiotic whale-gull relationship that had remained stable for unknown millennia.

A few days after I saw the gulls attack the mother whale, I met with Mariano Sironi, a marine biologist who was assisting Roger Payne of the Massachusetts-based Whale Conservation Institute in a study of the aggressive gull phenomenon. Sironi, a graduate student at the University of Córdoba, told me that preliminary figures for 1996 showed a sharp drop in gull attacks over the previous year's nursing season, which lasts from late August to November.

"We don't know if it's temporary," Sironi said. "And we still don't know if the gulls are opening new lesions or widening existing ones. We do know that they are digging deep into the outer skins for chunks of blubber, and that this causes the whales acute discomfort."

I wondered if these attacks were cyclical. Is it possible that they have taken place before, and that they stop when other food is available to the gulls? Roger Payne wrote of the possibility that the whales might stay away from the bays until the predatory gulls died and were replaced by others who hadn't acquired the habit. But gulls can live for fifteen years or more, and many of the culprits are juveniles.

"It's possible," said Sironi. "The four fish-processing plants in Puerto Madryn are causing a population explosion of kelp gulls. They may be drawing many more kelp gulls to the Península. Hungry gulls learn to attack whales from other gulls. We don't have sufficient data and it is too early to draw conclusions."

This January, a report on the gull attacks by the Whale Institute's Victoria Rowntree, Roger Payne's chief assistant, appeared in the journal

*Marine Mammal Science*. The study records a gradual rise in kelp gull attacks on nursing whales since the phenomena was first observed in the late seventies. In 1995, nursing mothers spent twenty-four percent of their resting time under attack or in flight from the kelp seagulls. This means that the level of harassment was five times higher than that recorded by P.O. Thomas in his 1984 study. Rowntree reports further that nesting pairs of kelp gulls have more than tripled in the last fifteen years.



Nursing mothers seek shallow water to rest and feed their young, which makes them sitting targets for the kelp gulls. It takes a nursing mother between a half hour and an hour to recover from a gull attack and resume nursing. What these figures translate to, according to Rowntree, is that about one third of the mother whales are expending their energy reserves on flight, evasion and recovery from attacking gulls instead of nursing their calves and fattening them for the long journey back to their northern feeding grounds. Like most other migratory baleen whales, right whales rarely feed in their nursing waters, where they subsist on the thick coat of blubber accumulated during the winter.

The report also found that calves are now being attacked nearly as often as their mothers, whereas they were mostly spared by the gulls in the past. Juvenile gulls are the offenders in one of every three attacks, which suggests that this is an acquired trait passed from one generation to the next. What can only be conjectured from Rowntree's careful scientific study is the psychological state of the mother who is deprived of her normal resting and nursing cycles by the relentless gulls. Are the attacks "souring" or otherwise altering the composition of the mother whale's fat-rich milk, thereby causing added

**One third of the mother whales are expending their energy reserves on flight, evasion, and recovery from attacking gulls instead of on nursing their calves and fattening them for the long journey back to their northern feeding grounds.**



The disruption of the Península's ecological balance by human intrusions could discourage the whales from returning to calving and breeding grounds that have sheltered them for unknown millions of years. The tragic result could be a reversal of the almost miraculous recovery of a unique and vulnerable whale species.

Slash marks from watercraft propellers surround the white lesion caused by gull gouging.

trauma to her calf? Although the gulls are not driving the whales from their habitual refuges—at least not yet—a chief concern is that the added strain on the mothers could reverse the reproduction rate of the southern right whale population, which has been growing at about seven percent a year.

Preliminary estimates for the just-ended 1997 season suggest that kelp gulls have resumed attacking mother whales and their calves at higher levels than 1995. And brown-hooded gulls, which confined themselves to eating sloughed-off skin from the whales' backs, are also becoming more aggressive, although it is not clear if they too have been gouging out chunks from the whales.

Meanwhile, the annual number of tourists has continued a steep annual rise, from a couple hundred in 1980, when whale watching tours began, to more than 60,000 today. Graham



Harris, the Anglo-Argentine director of the Patagonia Natural Foundation, emphasizes that the tourist boom generated by the whales has a positive aspect because it raises revenues to help conserve the Península's biodiversity. At the same time, the explosive increase in whale watchers, and their intensifying demands, are straining at Chubut Province's guidelines for assuring a stable and steadily recuperating right whale population.

Three years ago, the Patagonia Natural Foundation, a non-governmental organization that monitors the whales in the Península, reported that tour boat captains were violating safety regulations on eighty percent of their voy-

ages. As the number of tourists increases every year, drawn by the returning whales, many of the boat captains are violating the protective guidelines

set down by the Chubut provincial government because of their passengers' growing demands for closer encounters and more dramatic photographs to take back home.

One captain I befriended, "Rafa" Benegas, who grew up on the Península for twenty years, says he cuts the throttle sixty meters from a whale, allowing it the option to approach the boat or go somewhere else. A few years ago Rafa and three other boat captains formed an association to share costs and profits and curtail harassment of the whales. But renegade captains willing to violate the regulations carry more passengers. Rafa mentioned only one captain, Jorge Schmid, who owns several boats and has no qualms about bending the rules even if it means harassing the whales. As a result, Schmid is raking in more money than Rafa and his partners combined.

If the issue comes down to which form of harassment is inflicting the greatest stress on the nursing whales, the weight of evidence points to the gulls, for the simple reason that the whales find it far easier to evade the boats than the far more skillful and aggressive seagulls. In fact, whales often approach the tourist boats voluntarily.

The analogy is a skewed one, however, for it was the proliferation of the fish-processing plants and their dumps in the vicinity that led to the rise of the gull population in the Península. And although the evidence suggests the gulls may be responsible for the white lesions appearing on whales' backs and heads, the fish-processing plants and the scallop and mussel farms as well as the pollution caused by a nearby aluminium plant are exacting their own toll on the whales' health and well-being. The disruption of the Península's ecological balance by these human intrusions, compounded by tour boat captains' violations of whale protection regulations, could discourage the whales from returning to calving and breeding grounds that have sheltered them for unknown millions of years. The tragic result could be a reversal of the almost miraculous recovery of a unique and vulnerable whale species that had been given up for lost as recently as twenty-five years ago. ⊕



During his childhood, spent partly in Guatemala, Victor had contact and heart-wrenching moments with cetaceans. He is completing a book for Alfred Knopf, *Of Whales and Men*. Part of his

passionate life quest is in *The Cross and the Pear Tree: A Sephardic journey*. For more information or to help: Whale Conservation Fund, 191 Weston Road, Lincoln, MA 01773.

## Spectacular Nature

Corporate Culture and the Sea World Experience

Susan G. Davis. 1997; 313 pp. \$18.95. University of California Press.

Will the world become a theme park? The corporate world has tried to theme-park the past (see colonial villages), and the future (see cyber-park moon space). Now that zoos are retro, corporate culture is theme-parking nature. This is an important, detailed, and smart book on what consumers want of nature and what Sea World can supply. Insightful understandings on every page about how orcas live their life as eagles in a parakeet cage vs. the real "nature out there." This is the serious version of Florida's funniest mystery novel, *Native Tongue*, by Carl Hiasen (1992, Fawcett Books), which deals with sea worlds run amuck. —PW



its exhibits say nothing about benevolent corporations, they are literal models of stewardship proposing a version of nature that is at once a reassurance and promise. The dioramas, aquariums, and whole environments provide a model of what nature should be: remote, pure, balanced, and teeming with life. In these formats, as on television, nature is an up-close far-away. We know, even though we would like not to know, that our industrial system of extraction, production, and consumption has thrown the biological world into tailspin. But insofar as we think about that, our awareness of it is suppressed by the beauty and seeming wholeness of the theme park version we're watching. It is on display for our consumption and connection, through the dolphin and whale performances.

## The Poison Ivy, Oak, & Sumac Book

A Short Natural History and Cautionary Account

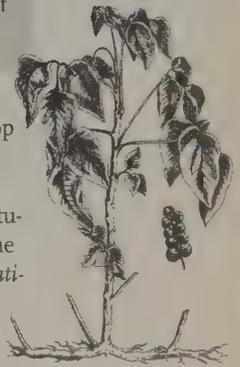
Thomas E. Anderson. 1995; 130 pp. \$14.95 (\$16.45 postpaid). Acton Circle Publishing Co., PO Box 1564, Ukiah, CA, 95482, 707/462-2103.

If you are among the great majority of humans who are allergic to members of this plant complex, this book might well inform, entertain, and save you some suffering. It documents the social history, botany, chemistry, prevention, treatments, and myths of this notorious family. Portraits of the sometimes problem relatives, such as cashew and mango, are included. Useful in the east, the west, and at the edge of your yard. Maybe you won't need that ocean of calamine lotion. —Kat Harrison



“ Just as poison oak and ivy are neither ivies nor oaks, there is not a drop of poison in them or in poison sumac. Urushiol, which causes the problem, is neither poisonous nor—except in unnaturally high concentrations—irritating. The rash is an allergy attack, a contact *dermatitis* (skin inflammation) that afflicts only people who have developed an immune response to an otherwise harmless oil. People who are not “immune” do not react; and, unless they get the requisite defenses, they will not react.

Like all allergy attacks, Urushiol dermatitis results from the immune system's attacking a foreign but innocent intruder. Almost as if to certify the material's innocence, the system needs to “learn” it before it can respond. Thus, except for the “exquisitely” sensitive, a first brush with urushiol seems uneventful, because all it normally does is give the system a chance to weigh the potential threat. Even then, if it finds one, it still needs five or six more days to fashion its defense. In those few days the average person can re-contact the substance freely with no risk of harm whatever.... Once past the five- or six-day grace period most people will get a rash the next time around, even from a small amount of the oil and even if years go by.



The first drawing of poison ivy, by Jacques Cornut (1635).

Illustrations from the 1997 calendar by Pine Gulch, a 1st-5th grade school in the Bolinas-Stinson (CA) Union School District.



“ In simulating a penguin rookery, the designers thought they had to keep the penguins from appearing overcrowded to their public. People are made uncomfortable by the sight of swarming animals. Crowding might indicate mistreatment in captivity, and just as bad, the engineer speculated, it might remind the viewers themselves of feeling bunched up. In this very popular exhibit, the designers did not want people who were packed on a conveyor belt to view what looked like jam-packed penguins. So the density of the rookery was modified.

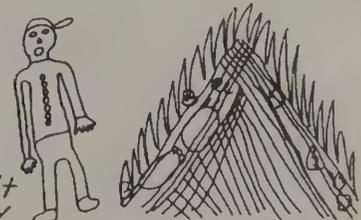
“ Sea World is not so much a substitute for nature as an opinion about it, an attempt to convince a broad public that nature is going to be all right. Even when

Warm feelings, intimacy, and communication between killer whales and people are central themes of the Shamu show, suggesting that the corporate owner makes transcendent understanding possible.



In the fall a wren's diet consists of mostly fruit. Poison oak berries take up 1/4 of a wren's diet.

If you burn poison oak and breathe it you'll get very sick.



# SLUGS AMOROUS IN THE AIR

by William Pitt Root

*The spirit moves,  
Yet stays:  
...  
A small thing,  
Singing.*

THEODORE  
ROETHKE

On mucous films they glide,  
gracefully monstrous:

slick misbegotten whales,  
halved, cast out onto land,

shrunken, left to cross forever  
the shoreless sea of earth.

Indifferent to us,  
these constant voyagers

detecting in each other clues  
of readiness—who knows how?

They soar like gradual  
eagles up a bank of tree

out onto a dark current  
of limb, then dangle

from a single length  
of shared umbilicus

high in clear blue  
air, spinning

slowly in the globe  
of their own motion,

two beings intent  
upon each other

as only lovers are,  
each laved by the liquid other

in bodylength embrace.  
Like darkly pairing  
tongues

or the Sundered halves of  
Leviathan

trying bright reunion  
in the sea of air,

they hang in that whole kiss  
while we look on

radiant with disgust and envious,  
pitching toward awe

as from each head  
organs emerge unfurling

like silk parachutes  
exquisite with awareness,

each coddling its exact  
other in the counterfeit

with a long careful touching,  
numinous as saint,

unutterably lewd  
as they merge

in a bright soft lock  
joined as orchids

might join if animated  
by desire, trembling

blossom against blossom,  
slow pulse

matching slow pulse  
as these doubly sexed

beings will do,  
continuing an hour

and more,  
each gross shape further

extending (from the chill  
of what should be

its head) the lucent  
figure of an organ

wholly sexual as angels,  
male and female brilliance twinned.

And what passes  
between them

in this urgent healing  
sought by the never whole

passes slow as nectar  
shining in the deepest

flower we know  
and multiplies

into these glistening miracles  
we who grow gardens

in our annoyance  
never guess.

## Field Guide to the Slug

David George Gordon. 1994; 48 pp.  
\$6.95 (\$10.95 postpaid). Sasquatch  
Books, 615 Second Ave., Seattle, WA  
98104; 800/775-0817, 206/467-4300,  
fax 206/467-4301.

"To err  
is human;  
to slime,  
sublime."  
—David  
George  
Gordon

The best  
non-technical  
guide to the  
green-blooded  
monoped.  
—PW



Banana  
slug.

“Although slugs are her-  
maphroditic, each animal equipped  
with both male and female repro-  
ductive organs, they mate with them-  
selves only if no other slugs are  
around.... The two slugs may also dis-  
play their disproportionately large sex  
organs. The great gray garden slug’s  
penis is nearly half its total body  
length.... Penetration takes place,  
then each slug alternately releases  
and receives sperm.... Now the slugs  
must disengage—a challenge for  
two animals so amply endowed and  
thoroughly covered in sticky mucus.  
After long bouts of writhing and  
pulling, the pair may resort to what  
scientists call apophallation.

Translated, this means that one slug  
gnaws off the penis of the other.... The  
apophallated slug, says Forsyth, “cannot  
regrow his penis and is now obligated to  
be a female and forced to offer eggs.”

“One time-honored device is the  
beer trap.... It employs the scent of the  
brew’s chief constituents, malt and yeast,  
to lure slugs to a watery grave. Some of  
the best beer traps are made from plastic  
butter tubs or cottage cheese containers,  
the depth of which makes it harder for  
satiated slugs to escape.

Bill is the official city poet of Tucson. Born in a  
southern Minnesota blizzard, he grew up near  
the Everglades and in the Pacific Northwest.  
He’s my idea of a workingman/poet: no word  
or act without elegant craft. He’s been a  
Guggenheim writing fellow, copper mine laborer,  
poetry-in-the-schools teacher at Hopi and  
Navajo reservations, shipyard laborer, college  
teacher, etc. His most recent collection, *Trace  
Elements from a Recurring Kingdom*, is avail-  
able from Confluence Press, 208/799-2336.  
—PW

Mating slugs  
(*Limax  
maximus*).

## Heart and Blood

### Living with Deer in America

Richard Nelson. 1997; 432 pp.  
\$27.50. Knopf.

In this almost encyclopedic swing through the world of deer, one learns greatly about deer—biological, ecological—but what's new is the information about us, "living with" these swift, gentle creatures.

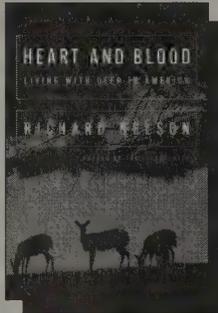
"It seems that a beauty like the deer's should be rare and hidden. Yet of all the animals who inhabit North America, deer are among the most widespread and abundant."

There was a deer population crash at the end of the nineteenth century, from which they have amazingly rebounded. And there was a remarkable spiritual view of deer—the animal most

essential to their lives east of the Mississippi—among the Native Americans.

Nonetheless, the Indians were drawn into a thriving economy of buckskin and venison. "In 1750, when the Cherokee Indians (numbering fewer than 10,000 people) were probably overhunting for trade with Europeans, they sold about 25,000 deer hides per year."

White market hunters took it to a much higher level. "2.5 million pounds of hides, taken from about 600,000 deer, were shipped from Savannah to England



between 1755 and 1773.... Around 1830, in midwestern states like Illinois and Missouri, venison sold for two or three cents per pound and deer carcasses for about a dollar, giving rise to our popular expression 'one buck'..."

Richard Nelson, author of *Hunters of the Northern Ice*, *Hunters of the Northern Forest*, *Make Prayers to the Raven*, and *The Island Within*, is a long-time Alaskan writer, who started his career as an anthropologist of native subsistence hunting. Very few people, if any, could have the perspective he brings to the life of deer in the late twentieth century. He is clearly fascinated with the ability of deer to move into and flourish in the suburbs, and the moral and political confusion

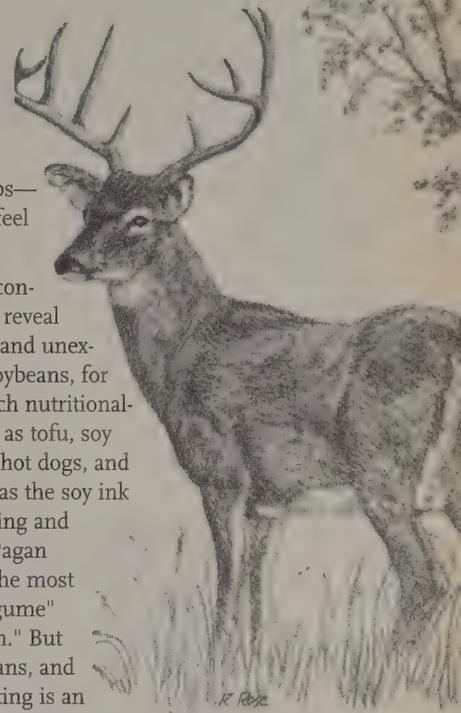
their presence brings to well-meaning suburbanites. Dick gives us the various arguments, but comes down on the side of intelligent hunting as the only way to keep up a healthy relation with deer in this new world.

Nelson, wherever his research takes him—Fire Island, upscale midwestern suburbs, a Texas game ranch, the devils-club brakes of Southeast Alaska—never loses his eye, his alertness, and his love for each deer as a unique being. He has a bracing belief in the possibility of a continued spiritual relation to our most present wild creature, even as Americans, right now, are eating 130 million pounds of venison a year. Or maybe because of it. Hence the astounding title: **Heart and Blood**. —Gary Snyder

"I know myself as a predator, know the hunter inside me, know the communion of meat and blood that shapes my body from those of deer. And considering how I've stalked this animal—slipped through the boundaries of her solitude, hidden my animal shape, and used the wind to conceal my encroaching footsteps—I wonder that I can feel so innocent."

"Tracing our connections to deer can reveal disquieting realities and unexpected dilemmas. Soybeans, for example, provide such nutritionally meritorious foods as tofu, soy milk, soy sauce, soy hot dogs, and soy burgers, as well as the soy ink widely used in printing and publishing. Writer Pagan Kennedy calls soy "the most politically correct legume" and "the saintly bean." But deer also love soybeans, and for this reason, hunting is an essential part of soybean cultivation.

Whenever one of us sits down for breakfast, lunch, dinner, or a snack, it's likely that deer were killed to protect some of the food we eat and the beverages we drink.



## Hook & Bullet

### Fishing Fantasies and Hunting Hoaxes from a Magazine That Never Existed

W. Hardbark McLoughlin. 1996; 127 pp.  
\$14.95 (\$18.95 postpaid). Lyons & Burford,  
31 West 21 Street, New York, NY 10010;  
800/836-0510, 212/620-9580.

For all those who have gazed wistfully into a cheery campfire deep in the woods of beyond, then watched it engulf their tent; for those who have trembled in anticipation as their delicate fly drifted and lingered in the subtle eddies of a trout stream only seconds before they fell in; for those who have scanned high mountain meadows with the eager eyes of a hunter and upon seeing the magnificent elk etched against the sky, realized that the borrowed rifle was still 'back there' where Nature had called; Yes, for all those poor souls (like you!) who will never need a taxidermist, there is only one very special place where hunters and anglers always succeed and where guides never snicker behind their backs. Dear friends, that consecrated country lies here bounded by the covers of *Hook & Bullet*. Welcome! —G. "J" McLoughlin, Publisher. April, 1895

### Portable Hydro-Dam

What about evenings in camp? You've hiked miles into the backcountry, set up your tent, and now the sun's gone down. There's nothing to see and nothing to listen to except crickets. Not much fun, huh? Why not take a television? Enjoying nature doesn't mean you have to miss *Wide World of Carp*. Feel like dancing? Take a tape deck! Now you can take anything you like—from halogen floodlights to your favorite electric wok. Sounds great, but am I talking about 370 pounds of batteries? No! I take a surplus Corps of Engineers portable hydroelectric dam. This fiberglass goody weighs a mere 30 pounds and comes in a neat OD storage bag. Wedge it into any ditch, and in minutes, 110 volts are at your command!



# LESTERS

## AMERICA'S CHEAPEST AMMUNITION

The Best of

### HOOK & BULLET

W. HARDBARK MCGLOUGHLIN

"IT USUALLY WORKS"

# WHY THE PINES, CURRANTS, AND GOOSEBERRIES?

FROM ORTHO PROBLEM SOLVER (ORTHO BOOKS)



Left to right: White pine blister rust on pine; rust-infected black currant leaves; *Invicta* gooseberry, released in 1980 by Elizabeth Keep, Horticulture Research International, Malling, England.

In one of our favorite newsletters, the USDA Research News, Peter found a tiny paragraph about a blister-rust-resistant gooseberry. *Whole Earth* was reviewing native cranberries, so gooseberries seemed important too. We phoned the National Clonal Germplasm Repository and Mike Stone and Peter fell into the fiercest debate on forest-disease control of the century. By the time they extracted themselves (it's not yet over), a grand drama of coevolution covering multiple continents, social welfare programs, science, industrial forestry, and the lives of many small rodents and birds, revealed itself. Here's our first report on the un-wholely marriage of white pines, currants and gooseberries, humans, and the "evil villain," a fungus, *Cronartium ribicola*, that needs both white pines and gooseberries or currants to complete its life cycle.

**C**OEVOOLUTION is the out-rolling together of two or more populations that interact so intimately that each has a strong selective force on the other. Wild gooseberries, black, skunk, stink, and red-flowering currants and several cultivated species (known by the Latin moniker *Ribes*) are all vulnerable to *Cronartium* fungus. In mid-summer orange-brown blisters appear on the undersides of older leaves. A yellow ooze bleeds from the blisters and the leaves turn yellow. The blisters release cadmium yellow spores to the wind. When they land on the needles of a five-needle (white) pine, the fungus attacks. The fungus insinuates itself into nearby branches. First, there are brown spots. Then, after a few seasons, swollen off-orange cankers. The cankers grow and turn to white blisters which eject off-orange spores. The white blisters give the fungus its common name—white pine blister rust. Wind carries the spores back to the leaves of currants and gooseberries. *Cronartium* cannot exist without both white pine trees and the leaves of *Ribes*. Blister rust can kill the pine but does little harm to the part of currants and gooseberries that we animals cherish: the berries.

American foresters hate white pine blister rust. They have tried to contain, control and eliminate it by wiping out either the diseased trees or *Ribes*. However, many temperate zone farmers love cur-

rants and gooseberries. They have been thwarted in pursuing cultivation and sales for jams and juices by the foresters' desire to rid North America of the danged intermediary host. The conflict has sent widespread ripples throughout the world: forcing the first US restrictions on imported plant material, altering streamside habitats, depressing currant and gooseberry farming in the US, stimulating a trade with Europe for currants for cran-currant juice and other jams, funding the most expensive and grand-scale plant eradication program in US history, and provoking a still-unresolved debate on forest disease-control paradigms.

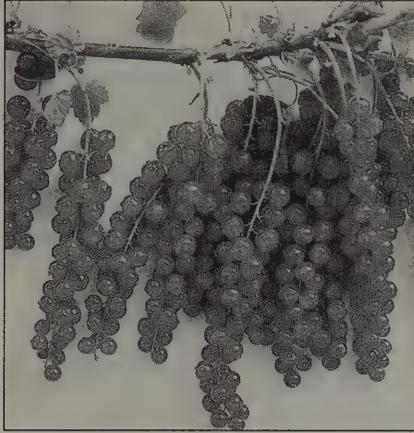
In coevolution stories, the first date is always arbitrary. Let's start three to six million years ago, when the ancestors of five-needle pines may have immigrated from North America to Central Asia. There, in a form now called *Pinus cembra*, they encountered *Cronartium*, and, after some unknown period of time, became resistant to its fungal attacks. Meanwhile, another five-needle pine (*Pinus strobus*) evolved in America with no resistance. With the settlement of North America, Europe fell in love with our exotic trees. In 1705, American white pine landed at the Viscount Weymouth Estate in England where, embarrassed by its colonial origins, they renamed it Weymouth pine. Blister rust, there or nearby, attacked its vulnerable American host.

By the late 1800s, lumber companies had depleted the Eastern forests of North America and looked for fast-growing pines to re-plant for future harvest. American nurseries were busy selling higher-priced ornamentals, so the lumber men lobbied Congress to drop tariffs on imported plant material. American white pine seedlings (excuse me, Weymouth pines) returned home. But, this time, they returned with blister rust which found the native currants and

Based on the research, help and writings of Kim Hummer, Research Leader, National Clonal Germplasm Repository, Corvallis, Oregon, and Aaron Liston, Botanist, Oregon State University, Corvallis.

gooseberries, as well as imported cultivars, to be delightfully supportive intermediary hosts.

By 1912, a blister rust epidemic had become obvious. Forester fears set in. White pine stands worth over one billion dollars appeared threatened. Congress legislated America's first law regulating the import of plant materials. For the next half century, millions of dollars



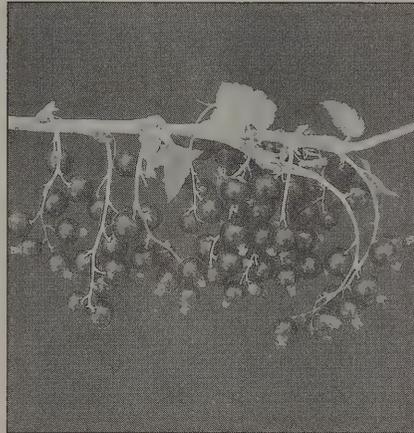
aimed at blister rust control poured from the federal treasury. First, the government went after infected trees. That was cumbersome and difficult, so tactics switched to the eradication of all European currants in North America. That accomplished, funding pursued all native currants and gooseberries from New York to Vancouver. At its height, Depression welfare funded 11,000 men to uproot or poison *Ribes*.

American ingenuity found itself comfortable fighting blister rust. Special hand tools, fungicides, salt, phenoxy herbicides, and sodium arsenite sprays were invented or refined to break the *Cronartium*'s marriage to both gooseberries and pines. No one knows whether this plant disease war has selected for *Ribes* races that can tolerate the poisons used or change their form to recover from chopping and uprooting, or if the eradication measures have pushed the blister rust to jump to new hosts.

Although currant and gooseberry lovers (including birds and squirrels) lost heavily, *Ribes* is a survivalist. Its human hero was Professor Roland Thaxter of Maine. To protect his backyard currant collection, Professor Thaxter fought authorities in the infamous, though rarely told, story of the Battle of Kittery Point. One of *Ribes*'s advantages was to hide out in difficult canyons in riparian zones, produce delicious fruit that birds eat, and redistribute seed to previously cleared zones. "An awfully big garden to weed," said an early skeptic of the eradi-

cation strategy. During the world wars, when men were otherwise deployed, *Ribes* populations rebounded. Canada, with a deeper affection for the juicy fruits, gave *Cronartium* freedom, and refused the US eradication program. Rather than perfect weapons, they chose to perfect defenses. They started up research to find and breed blister-resistant white pines and, by the 1940s, had discovered a few native *Ribes* that resisted the rust. Unfortunately, they also grew small, poor-tasting fruit.

In the 1960s, ecology paradigms shifted. The food web became increasingly important. Forest ecologists suggested that maybe pine weevils or *Armillaria* (root rot) or a new disease called pole blight might be as much a threat or greater than the blister rust. Some speculated that the fungicide applied to white pines to kill off blister



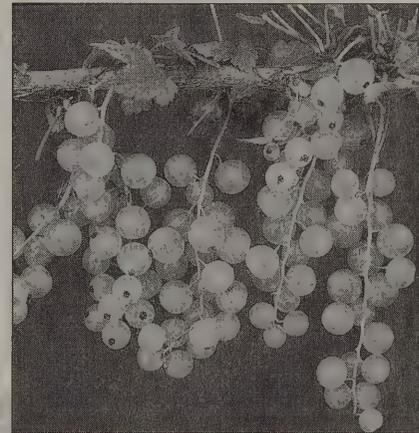
rust was opening a new niche for purple mold to kill off the trees. In a grand swan song of forester hope, the *Ribes* "eradication zone" around white pines grew and grew until most foresters realized that a single plant could produce enough spores which traveled far enough to undermine almost any *Ribes* "cleansing" effort. By 1966, forestry economics had changed, making white pine less important. New firefighting technology required fewer firefighters (who doubled as *Ribes* control workers). Congress repealed national *Ribes* restrictions, devolving regulation to the states (seventeen still have restrictions of some sort).

The suppressed *Ribes* farmers look to come back. Ocean Spray now imports its black currants for cran-currant juice from Poland. For the past three years, the National Clonal Germplasm Repository in Corvallis, Oregon has been testing their collection of currants and gooseberries for genotypes resistant to white pine blister rust. The plantation has fifty-five species and 400 genotypes

from North and South America as well as Eurasia. Several species look promising so far.

The *Ribes* competition could get fierce. Eurasia has *Ribes* that suffer from a viral disease that has yet to find its way to North America. If the workers at phytosanitary stations can carefully screen or ban any incoming Eurasian stock and keep black currants free of Reversion Virus, then US berry farmers will gain a distinct production advantage. Never-ending, the coevolution of food plants, ecological barriers or bridges, and human wealth has taken a new twist.

Here's the short version. By mixing up trees between biogeographical regions, humans originally set the stage for a devastating tree disease. Now, to break the pine-to-currant-to-pine infection, they must bioprospect the globe to find varieties of *Ribes* that resist blister rust, and shun cultivars that carry Reversion Virus. They must search the forests and nurseries for rust-resistant pines. Like many antagonistic coevolved systems, the pine-currant-rust affair may end symbiotically. New rust-resistant *Ribes* and/or white pine varieties may foster a political movement to end state restrictions on currant cultivation, and cut subsidies for blister-rust forest management. Foresters and all the avian, rodential, and human berry lovers may



ALL *RIBES* PHOTOGRAPHS BY KIM HUMMER, USDA, ARS NATIONAL CLONAL GERmplasm DEPOSITORY.

live happily ever after. Or at least until the blister rust evolves a new weapon of attack or switches hosts. The take-home lesson: humans can't get out of the biological game. They have accelerated "natural" selections and will remain the responsible or irresponsible keystone species in all future biogeographical change and population genetics. If your kids haven't heard, tell them quickly. ☺

Left to right: Rovada red currant released in 1980 by L. M. Wassenaar, Institute for Plant Breeding, the Netherlands; Consort black currant released in 1952 by M. B. Davis, Agriculture Canada; White Dutch currant, a very old European cultivar introduced in 1729.

SEE O. MALOY, "WHITE PINE BLISTER RUST IN NORTH AMERICA: A CASE HISTORY," ANNUAL REVIEW OF PHYTOPATHOLOGY, 1997. 35:87-109.

NATIONAL CLONAL GERmplasm REPOSITORY WEBSITE: WWW.ARS-GRIN.GOV/ARS/PACWEST/CORVALLIS/NCGR/.



## Zen at War

Brian Victoria. 1997; 264 pp. \$19.95. Weatherhill.

Like the earlier *Rude Awakenings* by James Heisig and John Maraldo, this scholarly yet quite readable book exposes the incredible extent to which Japanese



Buddhist institutions and priests supported and promoted militarism, Imperial Buddhism, and fascism from the Meiji Restoration through WWII. There are numerous quotes from D.T. Suzuki and lesser-known Japanese Buddhists, stories of lots of fanaticism and a tiny bit of resistance, some post-war confessions and a

look at the new corporate Zen. The author is a Soto Zen monk who spent many years in Japan, where he was jailed and finally deported for his political activities. Another veil is lifted. —David Chadwick

Cover of Seki Seisetsu's book, *The Promotion of Budō*, showing Roosevelt and Churchill as demons being subjugated by the Japanese fairy-tale hero Momotarō.



Below: From a 1937 issue of the Buddhist magazine, *Daihōrin*: officers assembled in the martial arts training hall for Zen meditation. Right: Lieutenant Colonel Sugimoto Gorō, the Zen military ideal.



“Suzuki began his description of the relationship between Zen and Bushido in the book's second chapter. He described the “rugged virility” of Japan's warriors versus the “grace and refinement” of Japan's aristocracy. He then stated: “The soldierly quality, with its mysticism and aloofness from worldly affairs, appeals to the will-power. Zen in this respect walks hand in hand with the spirit of Bushido (“Warriors' Way”). On the one hand, Suzuki claimed that “Buddhism . . .

## National Defense and the Environment

Stephen Dycus. 1996; 286 pp. \$22. University Press of New England.

In my bioregion, Ft. Huachuca over-pumps groundwater. It now impacts one of America's most outstanding National Wildlife Areas. Retired veterans and their families who settle just outside the fort and developers deplete even more groundwater. The Fort has lived by denial, postponement, and excuses for so long that it has been sued by the Southwest Center for Biological Diversity and EarthLaw. The San Pedro River will be brought up for NAFTA environmental review (it's an international river). This is the chaos of local developers, bioregional conservationists, international rivers, and national defense bureaucrats.

You can read this not-very-colorful but careful and accurate book for its excellent vignettes and/or its excellent text. It is the legalistic (not Army nor conservationist) view. It is also the only readable book on this delightfully gigantic subject (and career opportunity).

The Armed Services manage over 2.5 million acres. Because they have excluded the public, the bases include some of America's richest habitats. Their impact is awesome: bombing sites, chemical weapon storage and disposal, nuclear production and waste storage, largest user of CFCs, legacies of Agent Orange/atomic testing, noise from overflights over public lands, land swaps, endangered and exotic species, and *mucho mas*. Post-Cold War, the stage has shifted. How much can the Army use national security as an excuse to avoid all environmental laws? What is the new relationship between Congressional law and American security? Could this branch of government produce environmental generals? —PW

in its varied history has never been found engaged in warlike activities.” Yet in Japan, Zen had “passively sustained” Japan's warriors both morally and philosophically. They were sustained morally because “Zen is a religion which teaches us not to look backward once the course is decided.” Philosophically, they were sustained because “[Zen] treats life and death indifferently.”

“The bodhisattva of compassion, Avalokiteshvara (Kannon or Kanzewon in Japanese) was transformed into a martial figure.

“The Army says it has tried to balance mission requirements with those of endangered species. For example, new guidelines for management of habitat for the endangered red-cockaded woodpecker have forced the closure or restricted use of some training areas at Fort Bragg, North Carolina. Yet while realistic training has become more difficult and costly, there have reportedly been no reductions in unit readiness.

“An earlier case involved the Navy's conduct of bombing practice on a small island in Hawaii. When the case reached the court, the Navy, working with state officials, had completed a survey of only 90 percent of the target area and 34 percent of the entire island, but it had discovered a number of candidate sites. The court admonished the Navy to carefully protect the candidate sites while it finished its survey, but refused to stop the use of live ord-



nance for practice, because of the Navy's insistence that the military readiness of the Third Fleet might be seriously reduced by an injunction.

“Congress needs to get on with the business of destroying United States chemical weapons inventories. Over the last several years, it has closely monitored Army plans to incinerate the remaining weapons at eight sites around the country. Now Congress should abandon its insistence on the most cost-effective method of disposal and instead order the Army to employ the safest methods, possibly including alternatives to incineration, to finish the job as soon as possible.

Avalokiteshvara was “elevated” in the Rinzai verse to the rank of shogun or generalissimo, with the full title Kanzeon Shōgun Bodhisattva. Given the miraculous powers Avalokiteshvara was believed to possess, Japan's military leaders readily welcomed this most well-known of bodhisattvas into their ranks. In the fall of 1939, imperial army general Matsui Iwane (1878-1948) personally ordered the construction of the Kōa Kannon temple on a hillside outside of the city of Atami in Shizuoka Prefecture. The temple's connection to Japan's wartime effort is apparent in its name: “Avalokiteshvara for the Development of Asia.”



## All That We Can Be

### Black Leadership and Racial Integration the Army Way

Charles C. Moskos and John Sibley Butler. 1996; 198 pp. \$24. Basic Books.

Colin Powell, the most respected leader in America, is no fluke. There are highly qualified blacks at every level of the US Army—seven percent of its generals, eleven percent of all officers, thirty-five percent of noncommissioned officers. Of the total Army, twenty-seven percent are Afro-Americans. The authors (one black, one white) make the point that the Army “is not race-blind; it is race-savvy.” And so to get a proportionate number of black leaders, “the Army does not lower its standards, it elevates its recruits and soldiers.” Having learned that “disadvantaged youths can be made to meet demanding standards,” the Army has programs which bring young civilians up to enlistment standards, young soldiers up to NCO standards, undergraduates up to officer standards, and high school students up to West Point standards.

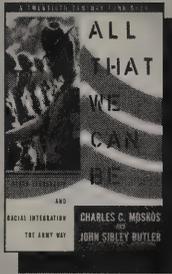
The Army has no use for a multicultural approach, in the sense that multicultural means separatist. What it draws on is the black bourgeois tradition of honoring education (most evident in the historically black colleges) and on the fact that American culture as a whole is highly black-influenced. There’s no question of integration, and no question of talent. It’s just a question of skills, and skills can be taught.

On page 49 is an intriguing item. Retiring black generals—the young Colin Powells—hardly ever “find a decent job in the private sector,” unlike their white colleagues, who are snapped up by corporations, foundations, and universities. What a waste. And what an opportunity for a smart organization willing to look outside the usual head-hunting pool. —Stewart Brand (courtesy of Global Business Network)

“ The military of the 1970s recognized that its race problem was so critical that it was on the verge of self-destruction. That realization set in motion the steps that have led to today’s relatively positive state of affairs. As racial division grows in American society at large, will we come to the same realization?

“ Lesson One: Blacks and whites will not view opportunities and race relations the same way.

Lesson Two: Focus on black opportunity, not on prohibiting racist expression.



Lesson Three: Be ruthless against discrimination.

Lesson Four: Create conditions so that white and black youth can serve on an equal basis to improve their social and civic opportunities.

Lesson Five: Install qualified black leaders as soon as possible.

Lesson Six: Affirmative action must be linked to standards and pools of qualified candidates.

Lesson Seven: Affirmative action must follow a “supply-side” model, not a “demand-side” model.

Lesson Eight: A level playing field is not always enough.

Lesson Nine: Affirmative action should be focused on Afro-Americans.

Lesson Ten: Recognize Afro-Anglo culture as the core American culture.

Lesson Eleven: Enhancing black participation is good for organizational effectiveness.

Lesson Twelve: If we do not overcome race, American society may unravel.



COURTESY LINDA CONNOR

## The Advent of Netwar

John Arquilla and David Ronfeldt. 1996; 118 pp. \$15 (\$18 postpaid). RAND, 1700 Main Street, PO Box 2138, Santa Monica, CA 90407-2138; 310/451-7002, fax 310/451-6915, order@rand.org.

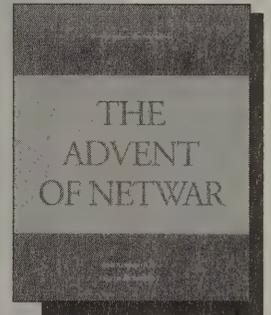
Networks are the fourth way of organizing society—assert the authors—building on competitive markets, which build on hierarchical institutions, which build on kinship-based tribes.

“The network form is on the rise in a big way, and because of this, societies are entering a new epoch.” Netwar may be the consummation of post-modernism.

On the Net anyone, anywhere may be a combatant, voluntarily or involuntarily. Netwar appears inevitable, and Arquilla

and Ronfeldt offer remarkable insight into the forms that might develop—“non-state actors” able to challenge states; “swarming” by leaderless “panarchies” with central doctrine and decentralized tactics; irrelevance of national and geographical boundaries; and no end of blurring between civilian and military, legal and illegal, crime and war, and the roles of political, military, police, and intelligence activities. —SB

The antidote to sentimentalized virtual communities. The net may polarize citizenry as everyone surfs to reinforce their own bias. It’s in +think-tank RAND style. It sets a worrisome stage. —PW

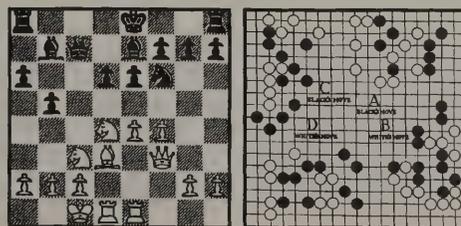


“ Netwar will no doubt prove most attractive, for the near-term future, to non-state actors. It is likely to become a policy tool of choice for ethnonationalists, terrorists, and transnational criminal and revolutionary organizations. However, nation-states may increasingly find netwar

a useful option, especially when the need to pursue limited aims with limited means arises. Additionally, the rise of a global civil society heralds the possibility that nongovernmental organizations associated with militant social activism will become netwar combatants, deliberately or sometimes inadvertently. Overall, the context of netwar may come to be defined by conflicts between state and nonstate actors, nonstate actors that use states as arenas, or states that use nonstate actors as their proxies.

“ In the metaphor of board games, the aim of netwar is not for checkmate, as in chess, but rather for control of more of the continuum of conflict, as in Go.

### Netwar Resembles Go More Than Chess



## DARK COMIX

ON THE SEAMIER SIDE OF THE STRIP. A SHORT HISTORY BY BOB CALLAHAN

**H**istorically, the single largest impediment to the acceptance of comics as a legitimate art form has been the word “comics” itself. If it weren’t for the designated mission implied by this word, this intriguing and compelling folk art form might already be recognized today—alongside those other two new and great people’s art forms: jazz music and film—as one of a small number of new and independent art forms born in this century.

The comic strip, of course, is what begins to happen when you use individual panel cartoons in a narrative manner. It is useful to recall that the cartoon’s oldest use is as a form of political satire. Somewhere along the Nile, perhaps, someone decided to depict the new candidate for Pharaoh as a dog with a man’s head, and the first political cartoon sprang to life. To the victors belong the spoils, the saying goes. Since the time of the Egyptians, the loser got to live the rest of his or her public life inside a likeness created by a cartoon.

Thus the oldest cartoons always carried with them this darker mission, this rather unpleasant edge. Inside their frames it was always implied that just outside of the frame there existed a world not nearly as comic as the scene being depicted in the drawing at hand. People lost their careers, and even their lives, based on the way they were sometimes drawn in cartoons. When you think about it, what’s so funny about that?

And so this tradition of cartoon and lampoon tumbled into America with an immigrant population who brought the habit with them at the turn of this very century. It would be left to enterprising American newspaper men—Joseph Pulitzer and William Randolph Hearst—to understand rather quickly that these cartoons, when stretched out over a series of panels, were a wonderful way to capture the imagination of America’s largest cities. The daily comic strip, and then the tradition of the Sunday Funnies, were born.

They were the funnies all right, but from the very beginning, if you looked just past the strange little Manchurian-looking boy in the yellow nightshirt, standing there in the center of the action down in Hogan’s Alley, what you saw was a condition of unconditional mayhem and violence and disorder. These first comic strips stood out as instances of rare comic serenity in the middle of a class warfare that has always been the most important sub-text of the new comic strip literature. Of course Mr. Pulitzer and Mr. Hearst would have to call these new vehicles “the funnies.” If they had chosen to call them “the tragics” they would doubtless not have found anything like the same massive audience.

It is without question Art Spiegelman’s family memoir, *Maus*, which stands as the most remarkable accomplishment in the whole of the comic strip’s still short one-hundred-year history. An over-statement? I don’t think so.

Spiegelman’s decision, for example, to cast the Jews of Auschwitz and their Nazi prison guards as, respectively, blank-faced mice and sneering-looking cats, takes the entire historical tradition of funny animal stories that had descended into the comics from folk tales as ancient as Aesop, and turns it straight on its fractured head.

Oh, Mickey!

In such oppositions and inversions, Spiegelman finds the power which gives his book the artistic tension it almost explodes attempting to contain. The ultimate act of genius, however, was to imagine one of the great true horror stories of this century as a comic book in the first place! And yet, as we have been suggesting, darkness and violence had remained a second, hidden aspect of the comics almost from their own class-war beginnings. Art Spiegelman was not alone, of course, in sourcing the darkness in his own soul back to the more immediate horrors of the Second World War. Indeed, film noir, pulp fiction, tabloid journalism, confidential magazines, television crime serials, drug war fiascoes, and extraordinary political scandals had, by the time of *Maus*, become so allied in the popular imagination that it was no longer possible for any pop culture form to proceed without first coming to terms with this immediate heritage.

If you were a child of the late fifties and early sixties, and had found your own identity in rock and roll music, *Rebel Without a Cause* and *Bonnie and Clyde* anti-hero movies, and the comics (particularly the satirical anti-comics written mostly by Harvey Kurtzman for *E.C.*, and *Mad* magazine) it is fascinating to recognize that this body of music, film, and literature hasn’t gone away, but continues to grow up and mature. Quentin Tarantino (*Pulp Fiction*), Barry Gifford and David Lynch (*Wild at Heart*), the darker *Bat Man* movies, even *Titanic* (derived from *Terminator*) flip back and forth—dark satiric film to dark satiric graphic novel. Storyboards resemble comic book narrative panels. Film characters flatten into cartoonish personalities and speak with comic book laconics.

And so today, having broken free from their fate as mere vehicles for adolescent sex and childish male superhero power fantasies, the Dark Comics survey a territory comparable to that of any other form of contemporary literature. The tone is dark, terribly dark, because that is the term of our own contemporary unease. Noir is everywhere. In the new graphic journalism of Sue Coe and Joe Sacco, and Willem at *Liberation* magazine in Paris; in the serial comics work of Daniel Clowes, Julie Doucet, Charles Burns, and Adrian Tomine; and in the ongoing graphic novels being generated, particularly by European artist/authors such as Muñoz and Sampayo, and France’s Tardi, Loustal, and Baru; indeed, even in the film work of Terry Gilliam, Terry Swigoff, and France’s Jeunet and Caro, we find an actual art movement—a picture literature uniquely able to address multimedia challenges.

Timeless  
in our multiverse  
of hearts,  
imaginative  
vividness and  
candor

Wander, raft,  
sweet lips,  
empty mind,  
non-ordinary  
goings on.

Bardic joys  
voices, music,  
songs, dances,  
festivals, rites.

Humans  
their tragi-comic  
history of renewals

# TWO PREHISTORIES



## Dick Tracy

Chester Gould. Bud Plant Comic Art.

Although crime and violence are never far from the heart of many of the first great comic strips (they are, in that way, much like children's fairy tales), the first formally terrific crime comic strip is **Dick Tracy**. Tracy debuted in October of 1931. How good was this strip? When asked not long ago to name his favorite artist of all times, Art Spiegelman did not hesitate: "It's a tie between Pablo Picasso and Chester Gould." Even Pablo would have had to admire the stubborn inventiveness of the hundred Tracy plot lines. Only Damon Runyon ever came up with as great a gallery of characters as the Brow, Flattop, Prune Face, the Mole, and dozens and dozens more.



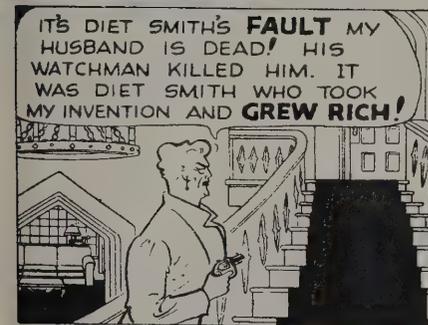
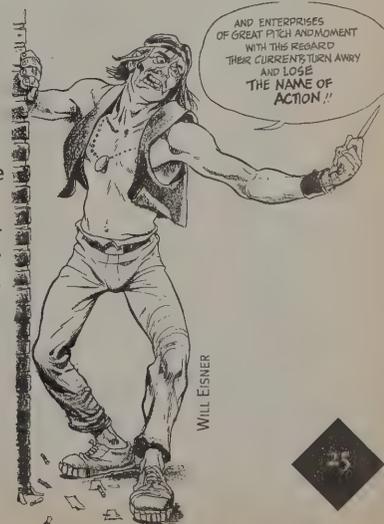
A second major strip from this era clearly worth revisiting is *X-9*, illustrated by Alex Raymond (who would later draw *Flash Gordon*) and written by none other than Dashiell Hammett, absolute Big Daddy of the hard-boiled crime novel. Not surprisingly, the big gangster doings of the 1930s proved to be just terrific for the introduction of violent crime into the old comic strip.

## The Spirit

Will Eisner. Kitchen Sink Press has some editions, or Bud Plant Comic Art.

The next big breakthrough in the world of crime comics came in 1939 when Will Eisner began to draw for the Sunday funnies. "Eisner was an early master of the German expressionist approach in comic books—the Fritz Lang school," Eisner's colleague, Jules Feiffer, has written. "Influenced by the early film noir, his work was full of dark shadows, creep angle shots, and graphic close-ups of violence and terror." Eisner is still considered a cartoonist's cartoonist. Just as most jazz tenor saxophone players invariably play John Coltrane, it is probably impossible to draw crime comics today without drawing some element first pioneered by Mr. Will Eisner.

A companion genius for this period would have to be Jack Cole, the creator of *Plastic Man*. Cole also created the anthology *True Crime Tales*, maybe the best of the many Crime Does Not Pay comic books of the early 1950s.



CHESTER GOULD



WILL EISNER

WILL EISNER

# IMMEDIATE ANCESTOR

## Master Race

Bernard Krigstein. Bud Plant Comic Art.

In the 1950s William Gaines purchased E.C. Comics, and turned it into the single most important comic book publishing house in history. While E.C. is perhaps best known for the books edited by Harvey Kurtzman, including *Mad* magazine, this amazing comic book publisher had the distinction in 1955 of publishing Bernard Krigstein's classic noir comics, "Master Race." Following the last

days of Carl Reissman, who had escaped from the Belsen Concentration Camp during the Second World War, "Master Race" mixes and shifts its panel sizes and shapes to create a dramatic tension seldom achieved, before or since, in the art of comic strip story-telling.

The new levels of realism and terror Krigstein achieved in "Master Race" could also be found in many of the E.C. Comics books, including *Crime Suspense Stories* edited by Johnny Craig.

# MASTER RACE

YOU CAN NEVER FORGET CAN YOU, CARL REISSMAN? EVEN HERE... IN AMERICA... TEN YEARS AND THOUSANDS OF MILES AWAY FROM YOUR NATIVE GERMANY... YOU CAN NEVER FORGET THOSE BLOODY WAR YEARS. THOSE MEMORIES WILL HAUNT YOU FOREVER... AS EVEN NOW THEY HAUNT YOU WHILE YOU DESCEND THE SUBWAY STAIRS INTO THE QUIET SEMI-DARKNESS...

YOUR ACCENT IS STILL THICK ALTHOUGH YOU HAVE MASTERED THE LANGUAGE OF YOUR NEW COUNTRY THAT TOOK YOU IN WITH OPEN ARMS WHEN YOU FINALLY ESCAPED FROM BELSEN CONCENTRATION CAMP. YOU SLIDE THE BILL UNDER THE BARRED CHANGE-BOOTH WINDOW...

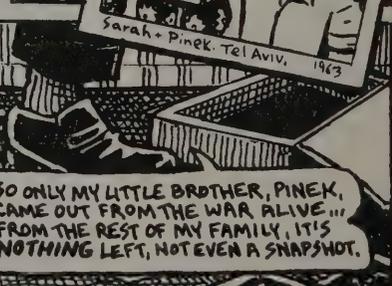
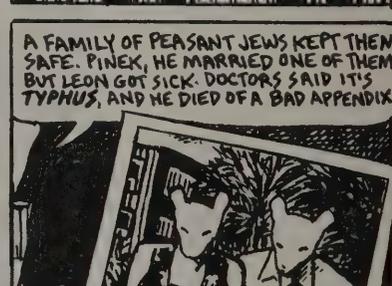
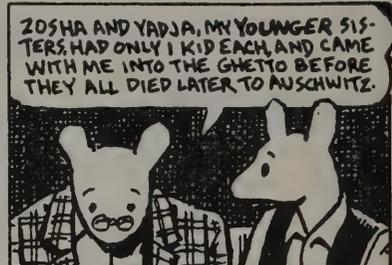
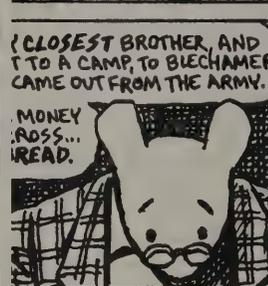
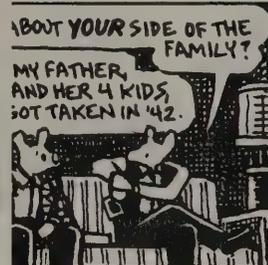
YOU MOVE TO THE BUSY CLICKING TURNSTILES... SLIP THE SHINY TOKEN INTO THE THIN SLOT... AND PUSH THROUGH...



THE TRAIN ROARS OUT OF THE BLACK CAVERN, SHATTERING THE SILENCE OF THE ALMOST DESERTED STATION...

YOU STARE AT THE ONRUSHING STEEL MONSTER...

YOU BLINK AS THE FIRST CAR RUSHES BY AND ILLUMINATED WINDOWS FLASH IN AN EVER-SLOWING RHYTHM...



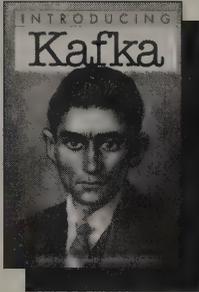
Bernard Krigstein's "Master Race," left, influenced Art Spiegelman's *Maus*, below.

# THE POSTMODERNS

## Introducing Kafka

David Zane Mairowitz and Robert Crumb. Kitchen Sink Press.

The E.C. "revolution" of the fifties eventually gave birth to the "underground cartoonist" movement of the sixties. Just as the hippies picked up the challenge of the beats, the underground artists went to school on those early comic books.



Robert Crumb, for example, drew for Harvey Kurtzman when Mr. Kurtzman edited the magazine *Help*.

Spain Rodriguez's debt to Kurtzman books like *Two Fisted Tales* and *Frontline Combat* is one of the most obvious and brilliant aspects about his work. In more recent years, both of these underground giants have taken their work into even darker, and more literary, places. Crumb's retelling of episodes from the writings of Kafka represents an absolutely perfect marriage of depressed spirit to depressed spirit. Spain's political history tales, found in *My True Story*, are fascinating probes into real life story-telling. [See WER No. 87, p. 40.]

## Maus

Art Spiegelman. Various volumes and editions. Pantheon Books.

As a twenty-year-old college student, Art Spiegelman had already written an important paper, "The Graphic Story as an Art Form: An Analysis of Bernard Krigstein's 'Master Race.'" What Krigstein had only implied, Spiegelman would eventually deliver in a fully realized manner. The story of Vladek Spiegelman's years interned at Auschwitz, and the subsequent uncomfortable dialog with his son, **Maus** is a work of the imagination comparable to any of the great literary works of our century. I like what Stanley Crouch said about the author: "Art Spiegelman is to the comic book what Louie Armstrong was to jazz."

It is both curious and interesting to note that Hiroshima, too, found its witness in a book called *Barefoot Gen: A Cartoon Story of Hiroshima* by Keiji Nakazawa, who was an eight-year-old boy living in Nagasaki when the second bomb was dropped. [See Millennium Catalog p. 269 for a review of The Complete Maus CD-ROM.]



## The Cabbie

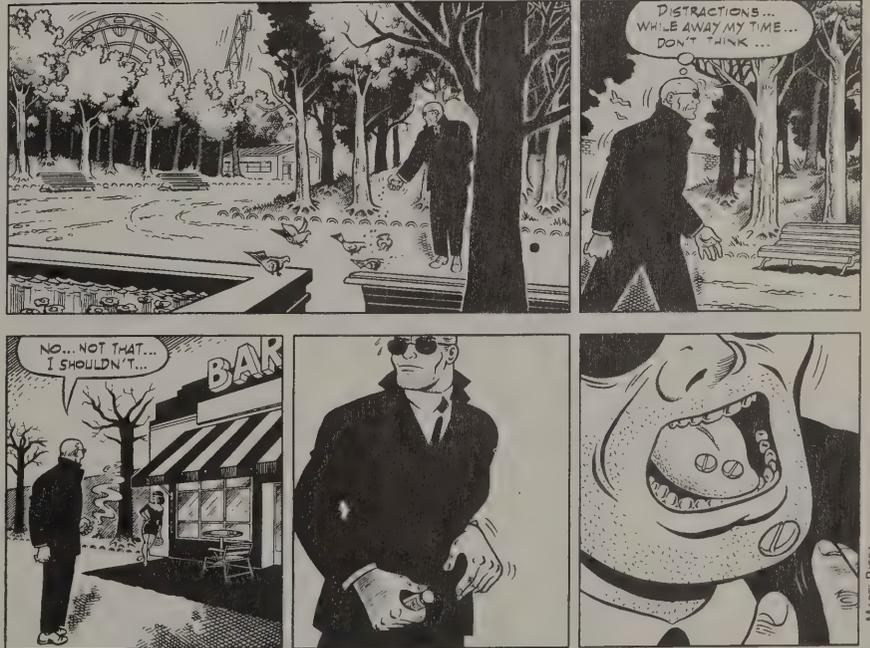
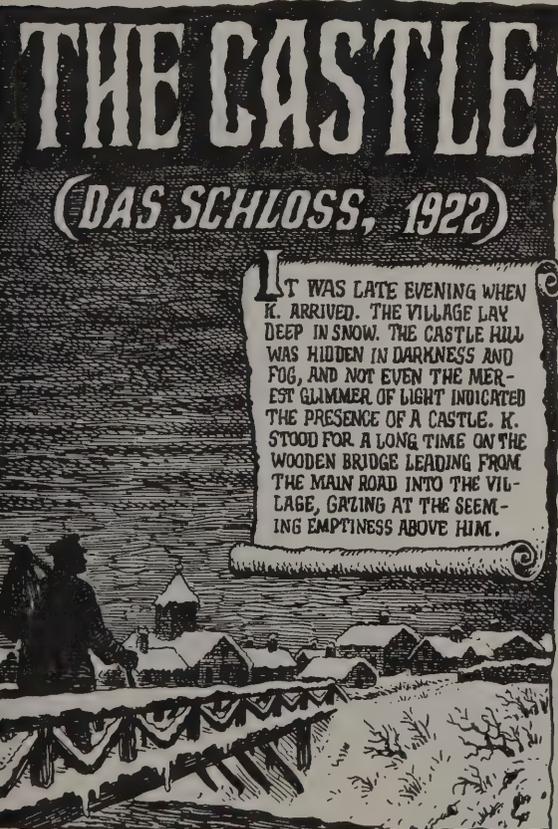
Marti Riera. 1987; 79 pp. \$10.95 (\$15.95 post-paid). Mile High Comics, 2151 West 56th Ave., Denver, CO 80221; 800/676-6423.

By the late 1980s the masterworks of both European and Japanese crime comics had begun to be published in the USA by Catalan Communications in New York City, (no longer in business, alas). It was Catalan first, and later Fantagraphics of Seattle, who would provide an American audience with the graphic novels of Muñoz and Sampayo. It would be

Catalan as well who would first publish the two most gorgeous color artists in the history of noir comics, the Frenchman, Jacques Loustal, and the Italian, Lorenzo Mattoti.

Loustal's *Love Shots*, and Mattoti's *Fires* are two authentic masterworks of the postmodern noir comics movement.

Perhaps the most fascinating book in this entire catalog, however, was a truly strange work called **The Cabbie** by a Barcelona artist known by his first name, Marti. What Marti did was almost literally recreate the original world of Dick Tracy, populating it, this time around, with a range of truly depraved characters only hinted at in the original. **The Cabbie** stands today as a brilliant, and brilliantly seamy, tribute to the first author of this world, Mr. Chester Gould.



## Read Yourself Raw

Françoise Mouly and Art Spiegelman, eds.  
1987; 89 pp. \$14.95.  
Pantheon Books.

The year 1980 would prove decisive for noir comics—a young architecture student from Paris, Françoise Mouly, and her New York City cartoonist boyfriend, Art Spiegelman, began to publish a magazine called *Raw*. To the ever-present mix of underground American satirical cartoons, *Raw* added the work of some of the finest comic strip artists and illustrators around the world, and wrapped the whole solution in a brilliantly designed package which stood alongside any of the better art magazines of its time.

In the first three issues of *Raw*, readers



were introduced to the extraordinary noir graphics of the great Jacques Tardi, as well as to the crime stories of José Muñoz and Carlos Sampayo, the finest graphic crime storytelling team in the entire postmodern era. *Raw* would also be first home to the serialization of *Maus*.

Within months of publication of the first issue (in a raggedy, old newsprint comic book quarterly format) Robert Crumb, Aline Kominsky, and Peter Bagge launched a magazine from the West Coast. It was called *Weirdo*. *Raw* and *Weirdo*, *Weirdo* and

*Raw*. These two magazines made comic book publishing in America both dangerous and electric for the next ten years.



## Black Hole

Charles Burns. Kitchen Sink Press.

The long journey of an outlaw form continues today underground, overground, and anywhere, frankly, the wizards who stand behind these forms can find gainful work.

What do you get when you marry an absolutely stunning graphic style, a profound sense of order and design, and a truly warped mind? The answer is Charles Burns. Suffice it to say, Burns's *Black Hole* tops our list of the most important comic books being published today.

Perhaps the best writer currently working in the comics, for our dime at least, is Dan Clowes, whose ongoing serial is *Eightball*. Beware: *Eightball* actually has the power to rot your mind. For two or three days after first reading this book, everyone I ran into in the street looked like a character in one of Clowes's stories.



CHARLES BURNS

## Twisted Sisters: A Collection of Bad Girl Art

Diane Noomin, editor. Kitchen Sink Press.

Sad, but not surprising, the comics were largely a boys' club, until the current generation came along. Up until recently, with the exception of Dale Messnick's *Brenda Starr*, all of the leading women characters in comics were fictions of the male imagination. Even a power figure such as Wonder Woman, too hastily adopted by the founders of *Ms.* magazine, what with all of her whips and bracelets and chains, turned out to be only one teasing and submissive "yes" away from an outright bondage figure.

Children of the underground culture of the sixties, and its extensions into the seventies and eighties, artists Diane Noomin and Aline Kominsky, the original Twisted Sisters, as well as Lee Mars, Melinda Gebbie, and Trina Robbins, have changed the role of women in comics for good. With homage to these particular founding "ma-mahmahs," it is important to mention as well the biting, politically dark comics of Sue Coe and Carel Moiseiwitsch; the storytelling powers of Carol Tyler, Phoebe Gloeckner, and Carol Swain; and the general splash and sass of a few real style-drivers: Mary Fleener, Krystine Kryttre, and Julie Doucet. This is very exciting work. Remember these names. This is probably what comics will increasingly come to look like, and say, in the future.



## Neon Lit #2: Barry Gifford's Perdita Durango

Adapted by Bob Callahan and Scott Gillis. 1995; 112 pp. \$12.50. Avon Books.

More than ten years ago I had the opportunity to compile a first anthology of some of the better works from the entire New Comics movement in a book called, originally enough, the *New Comics Anthology*. After

falling even more deeply in love with the still untapped potential of the comic book format, I managed to talk Art Spiegelman into co-founding a series called *Neon Lit*. What we have attempted to do is take some of the finest, meanest, darkest novels published in the postmodern era, and translate or adapt them into a series of brilliantly designed, truly weird and nasty comic books. Why do we do this? Who knows. Maybe it's just our own little way of saying "we care." The first book in this series was Paul Auster's *City of Glass*, adapted by Paul Karasik and David Mazzucchelli. Then we did the Gifford. And now Spain Rodriguez is putting the final touches on his adaptation of William Lindsay Gresham's *Nightmare Alley*. And Mary Gaitskill has just completed a brilliant script for the next book, Vladimir Nabokov's *Invitation to a Beheading*.



## The Dark Hotel

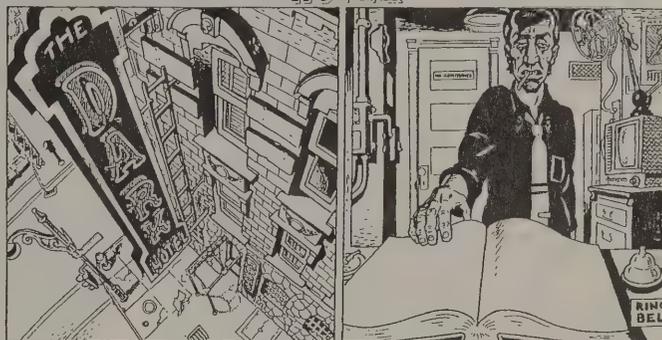
Bob Callahan, Justin Green, Paul Mavrides, and Spain Rodriguez. March 1998. [www.salonmagazine.com](http://www.salonmagazine.com).

Is the future of the crime comic—and comics in general—on the Internet? Certainly the digital reproduction, page-to-panel composition, and, good God, the distribution system! make the Net a very inviting place to begin to build some new kind of comic book.

Thanks to our friends at *Salon*, Spain, Paul, Justin, and I have been laboring away creating an imaginary hotel for down-and-outs, literary types, and other forms of low-life here in San Francisco. Life at the hotel is driven by three stories. I am increasingly thinking about this as some kind of web novel. ☉

## THE DARK HOTEL

"The bellhops' tears keep flowing" "The desk clerks dressed in black"



Bob Callahan is the founder and editor of Neon Lit. His most recent project, *The Dark Hotel*, will be launched on

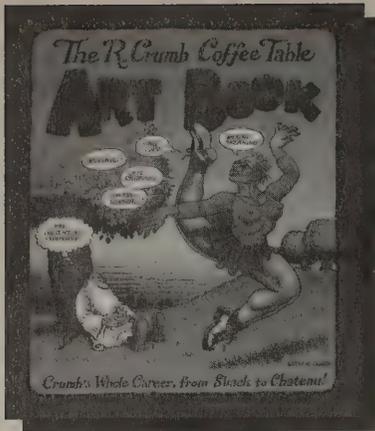
Salon's website in March. He has been a *Whole Earth* friend and writer for almost thirty years.



CAREL MOISEIWITSCH



SCOTT GILLIS



## The R. Crumb Coffee Table Art Book

Peter Poplaski, ed. 1997: 256 pp, \$40.  
Little, Brown and Company.

Crumb, in my opinion, is not of this society. He exists beside it. He is our best observer of the American social scene and he is his own favorite subject. Everything he draws is a peek inside the dark corners of his psyche. It is constantly fascinating, inevitably bizarre, and always beautifully drawn. Most cartoonists (myself included) are just that—cartoonists. Robert Crumb is a real artist. Cartooning is his medium of choice. It is his first love, his escape, his sexual release, and his therapist.

Welcome to his big book (11" x 13" x 1"), jammed with lots of the oft-seen Crumb classics, some seldom seen, and many that are new. You've seen the movie. You've met his family. You've read the cartoon revelations of his childhood and the acid years. You've watched him grapple with his sexuality and his political incorrectness. Now, see the entire enchilada crammed into one book. I think you'll enjoy it. I did.  
—Phil Frank

AN  
EXPRESSION  
I MAKE  
ALOT

'CAUSE MY GLASSES  
ARE ALWAYS  
SLIDING DOWN...)

OCT. 30TH  
1983

### Comic Book Confidential

\$19.95 video. Home  
Vision Arts, 5547 N.  
Ravenswood Ave.,  
Chicago, IL 60640-1199;  
800/826-3456, fax  
773/878-8406.

Here's a peek inside the normal and absurd minds of cartoonists; something you don't often get to see anywhere else. That's its main charm—the honest interview quality of the film. The responses and the questions are typical of the ones all of us get from readers, pretty much on a daily basis, so it's nice on that level. People can just sit back and listen to what the cartoonists have to say. —PF

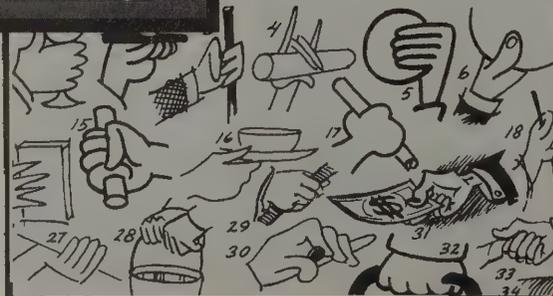
**COMIC  
BOOK  
CONFIDENTIAL**

### Cartooning THE HEAD & FIGURE



### Cartooning the Head and Figure

Jack Hamm. 1967; 120 pp,  
\$9.95. The Berkley Publishing  
Group, 212/951-8800.  
Tops for beginning cartooning.



### COMICS & SEQUENTIAL ART by Will EISNER

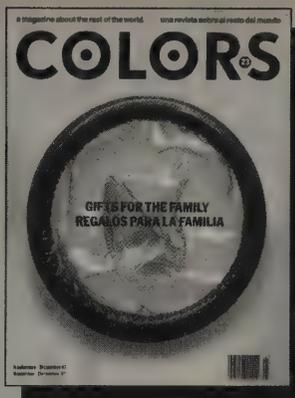


### Comics & Sequential Art

Will Eisner. 1985; 154 pp. \$19.95.  
Poorhouse Press, 8333 W. McNab  
Road, Tamarac, FL 33321;  
954/726-4343.  
Tops for beginning story lines.

## COLORS

Oliviero Toscani, editorial director. US\$36/year (6 issues). A. Mondadori Editore S. p. A., Servizio Abbonamenti, Casella Postale No. 1812, 20100, Milano, Italia, fax +39 30 319 8202 (US: \$47/yr. 1st class mail. Speedimpex U.S.A., Inc., 35-02 48th Avenue, New York, NY 11101, 718/392-7477), abbon@amemail .mondadori.it



firewood in Nepal.

You're left to draw your own conclusions. Foolishness, wasted resources, and out-of-control consumerism? Of course. A stunning juxtaposition of the desires and goods of the wealthy with those of the rest of earth's people? Often. But human inventiveness, entrepreneurship, and a drive to "improve" on the lives and bodies given to us leap across economic and cultural

boundaries. *Colors* looks head-on or ass-backwards at the material life of *Homo sapiens*. It's published in Milan by United Colors of Benetton. Issues are bilingual: English plus a choice of French, German, Italian, or Spanish. —MKS

Adult *Mad* magazine. Elicits more laughs than any other mag in our office. Helped by an extravagantly well-funded (enviable) photo research team. No computer generated images, just a wry eye for blasphemy.

—PW

“ It can be useful (and entertaining) to know about the rich and famous. But they already have plenty of magazines to celebrate their lifestyles. Besides, *COLORS* is supposed to be a magazine about the rest of the world. So we decided to extend our definition of wealth a little bit... We tried to find out why six million Filipinos work abroad as domestic servants, why a roll of toilet paper is a luxury item in Cuba, and of course, why having two kids is a status symbol in China....

We don't think you will be able to go very far with our "Business Advice" section, unless you're thinking of starting a company in Ho Chi Minh City. But then, the point of this issue wasn't to help you get wealthier. All we really wanted to do was to make you think the next time you reach for a sheet of toilet paper.



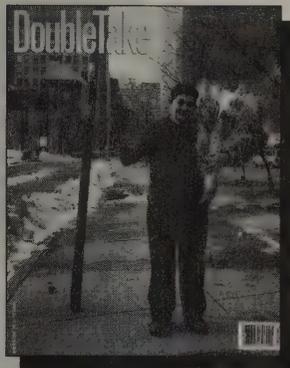
## DoubleTake

\$32/year (4 issues). Center for Documentary Studies, Duke University, 1317 W. Pettigrew Street, Durham, NC 27705; 800/964-8301.

*DoubleTake* is an art/literary rag with intelligence, bite, and beauty. Fiction, poetry, and essays co-mingle and generously cross-pollinate with fine photography. Each quarterly issue takes me weeks to absorb, with images and ideas that poke usefully at dubious conventions. Perhaps because the magazine is not a big city enterprise it seems remarkably grounded. There's no celebrity worship in view, or sentimentality of the kind that has me reaching for Weegee. Recent contributors include Bill McKibben, John Berger, Joel Meyerowitz, and Sue Halpern, all careful observers of the everyday eternal.

The magazine is color throughout and image reproduction is exquisite. The design is elegant, executed with a sensibility that, thankfully, honors the written word. A nine-by-eleven-inch trim is nicely lap-proportioned. Long may its presses roll! —Winslow Colwell

“ All Technology is equally technological. A bicycle is not less a product of echnology than a car—and in many situations is a more elegant solution to the problem of transportation. A flute is as



technological as a CD player. Newer doesn't necessarily mean better; you have to pick and choose. What I'm trying to say—and with some urgency—is this: for all the sizzle and bubble about the Internet and interactive TV, we live in the golden age of radio.

—BILL MCKIBBEN

“ People come to Brooklyn Day from all over the borough, but most

arrive from the institutional homes nearby... They come for medication and meals, for counseling and group therapy, for classes in a variety of subjects, including music, art, social, and daily life skills. They come here to pass the hours and stay off the streets. They come, in most cases, because they have nowhere else to go....

In 1983, when [Dona Ann] McAdams first started coming to Brooklyn Day, she brought with her a half-dozen inexpensive cameras and taught the participants how to take photographs. Although they never warmed to the technology, they enjoyed posing for pictures and sending the prints to their families or pinning them to the walls

of their adult homes. One week, that same year, a woman in the class picked up a crayon and began drawing on a photograph of herself. Everyone looked on, fascinated. Soon, the whole class took crayons in hand and started scribbling on the surface of their prints, coloring in their faces, arms, legs, foreheads, creating characters of themselves and adding their own interpretation to the images. —BRAD KESSLER AND DONA ANN McADAMS



The way it happened was we were there in the monkey house and it was Stan and me and Myrrena, who had just learned to sit up. We were reading the sign by the orangutan cage and the orangutan, who was an old female with wrinkled, pendulous breasts, came up to the corner of the cage where we were and she was looking at Myrrena's feet. Stan had Myrrena on his shoulder and it was a hot day so there were her bare legs and bare feet sticking out of the diaper and that was all the orangutan could see of her. This lady orangutan had one of the most beautiful faces I've ever seen, expressive brown eyes with wrinkles all around so that seeing her face was a revelation of tenderness and passion and sensitivity and she was looking at those feet waving on Stan's shoulder and her face shone and her eyes burned with eagerness and she pinched up her lips into an "ou" and kissed the air and leaned against the cage bars and her whole face was saying, "Oh, the little darling," so I told Stan, I said, "She wants to see the baby," and we like to humor each other, unless we disagree (it tends to make two people doubly effective rather than half as effective), so he promptly took Myrrena off his shoulder and sat her down on the railing facing the lady orangutan and she was delighted, I mean the orangutan was. Myrrena was a little startled and stared at her but the orangutan went into ecstasies and screwed up her face and brought up her hands to her face and wiggled her fingers at the baby like little old ladies do on the street when I'd let them see Myrrena and they'd have this exaggerated look of tenderness and she had it too. I never did believe in those old ladies before, it seemed too overdone to believe, but there was this different sort of old lady doing it too and I realized it must be something more than upbringing and presumed expectations, it must be a real feeling, so I watched her carefully then to see if she would explain to me what those old ladies were up to.

She started rocking her arms then like people do when they're saying "baby" in sign language and then reached her arms out through the bars towards

# The Lady Orangutan

Jane Wodening



Myrrena and I said to Stan, "She wants to hold the baby," but he vetoed it and rightly so because you never know with strangers, but I felt a little bad about it because then she got frustrated and I could see it in her eyes a desperation, and she turned away and ran and leaped around in her cage screaming and hollering and beating on the walls and it was very impressive and people came from all over the monkey house to see her, but they didn't understand what she did after that, because they hadn't seen what went before. What she did was this, she came back to us and she stood there and slowly slid her hands down her belly to her crotch and then slowly and gently lifted an imaginary baby out

from between her legs and tenderly placed it in her arms and rocked it. Somewhere I have seen or heard of women doing this in tribal dances when they want to have a baby. She did it several times, very slowly with wonder in her eyes mixed with intense passion. Suddenly, she turned again and leaped and screamed and beat on the walls again and then got down on the floor and lay on her back and thrashed and threw her arms around with her legs apart and bent at the knees and I saw her straining and pushing with her abdomen like we do when the baby is on the way out, then she got up and squatted and pissed on the floor and her face was grim and fierce and angry and there was no more she could think of to do but climb up to the highest shelf way in the corner and sit there with her back to us and her face to the wall. ⊕

Jane Wodening, where to begin? Along with D.H. Lawrence, Jack London, and Ernest Thomas Seaton, Jane is the finest writer of non-human animal life in North American lit. Her latest work, *Wolf*, will join *White Fang* and Cormac McCarthy's *The Crossing* as the most stunning wolf writing ever. In winter, she climbs into her cabin outside Nederland, Colorado, by way of a Dutch door, after snowshoeing four miles

from her car. She reports the snowpack to the Weather Service and chats over amateur radio. She's one of the last great Morse code tappers. Her books *Lump Gulch Tales*, *Mountain Woman Tales*, *The Inside Story* (which includes this story), and *The Book of Legends* are available through Baksun Books, 1838 Pine Street, Boulder, CO 80302, 303/444-1886. —PW

## Cultures of Habitat

On Nature, Culture, and Story

Gary Paul Nabhan. 1997; 338 pp. \$25. Counterpoint Press.

Our most vertically integrated naturalist, Gary Nabhan, has given us his best book yet. This Lebanese-American apparently was "marked" for life growing up in industrial Gary, Indiana with nature treks to the Indiana dunes. His mind must have been whip-sawing back and forth yielding an uncommon dendritic growth. In essay after essay this reasoned voice details a complex story of our oldest subject, the human/environment interaction.

*Cultures of Habitat* sets up and explores the problem: Is it the humans in the wild or how humans are in the wild that should be our worry? On a visit to a landscape described by Saint Aldo Leopold in *A Sand County Almanac*, Gary describes the Rio Gavilán watershed, noting Leopold's characterization of the place as "a picture of ecological health" where, not incidentally, the watercourses draining into the Gavilán were all punctuated with check dams, placed there by prehistoric Native Americans.

Here's Nabhan: "But there is a nuance missed by most of Leopold's philosophical disciples over the four decades since the Sand County and Round River essays did much to forge the developing ethics of the so-called environmental movement. Like other montane ecosystems which collectively cover one-fifth of the world's land, the Sierra had not only been heavily peopled at one time but their inhabitants had also managed them in a way that did not deplete their diversity. . . . The obvious human manipulations of the watershed did not keep Leopold from calling it 'unspoiled.' . . . This entire notion remains a contradiction in terms for most wilderness advocates today, who cannot imagine any appropriate cultural presence in the wild."

These essays of course do more than discuss this contradiction, but that alone is worth the price.

—Wes Jackson

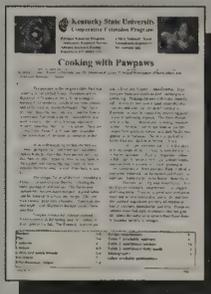


“When a person is fed acorns, mesquite pods, and tepary or lima beans, the soluble dietary fiber, tannins, and inulin in these foods reduce blood-sugar levels and prolong the period over which sugar is absorbed into the blood. Insulin production and sensitivity are also improved. In short, these native foods may protect Indian diabetics from suffering high blood-sugar levels following a meal. Mesquite pods and acorns are among the

## The PawPaw Foundation

Membership \$20/year. 147 Atwood Research Facility, Kentucky State University, Frankfort, KY 40601-2355; fax 502/227-6381, <http://agweb.clemson.edu/Hort/Faculty/DLayne.htm>

We'd like to acknowledge some folks carrying the torch for fruits. Dr. Desmond Layne and Ms. Snake Jones conduct serious and enthusiastic research into the complex biological and cultural history of the pawpaw. They're also helping to shape its future. Do you want some recipes? Academic scientific analyses? Maybe you just want to say, "I saw a pawpaw." Start here. Their semi-annual newsletter, *From the PawPaw Patch*, is for those who want to grow and eat and share the tastes and traditions of this custardy fruit. —ET



“The pawpaw is the largest edible fruit that is native to the United States. Pawpaws are indigenous to 26 states in the U.S., in a range extending from Florida to southern Ontario and as far west as eastern Nebraska. They have provided delicious and nutritious food for Native Americans, European explorers and settlers, and wild animals. They are still being enjoyed in modern America, chiefly in rural areas. There are 27 varieties currently available from more than 50 commercial nurseries in the U.S.

10 percent most effective foods ever analyzed for their effects in controlling blood-sugar rises after a meal. Unlike domesticated plant foods, their fiber, tannins, or complex carbohydrates have not been genetically removed by crop breeders or milled away by industrial food technologists' machinery. Historically, the O'odham were consuming more than 120 grams of these "slow-release" soluble fibers a day; now they consume less than a third of that volume.

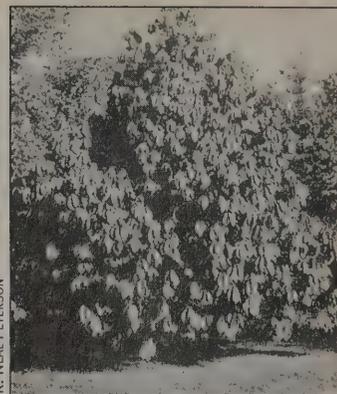
“We tried not to talk in hyperboles, but after all, it was high noon on summer solstice during the hottest week on record in the Sonoran Desert. Mexican ecologist Humberto Suzan was helping me measure the microenvironmental conditions at the driest and northernmost edge of the range of one of the hottest chiles in the



E.A. SUGDEN



D. R. LAYNE



R. NEAL PETERSON

## Growing Native

The Newsletter of the Growing Native Research Institute

Louise Lacey, ed. \$30 annual membership includes newsletter (6 issues/yr.) and special issue, *The Basics of Growing Native Successfully*. PO Box 489, Berkeley, CA 94701.

A delightful admixture of deep gardening and fanciful narrative for the serious plant person. It features gloves-on tips to cultivating some rare stuff, and lovingly profiles some of the more interesting and odd native species still around, with sources. —Kenny Ausubel

Pawpaw flower, pawpaw fruit, and mature pawpaw tree in sunny location.



“Roots are inherently lazy, like most people, they graze only where the grazin' easy. I attribute it to the smorgasbord effect. You go to a salad bar, you don't go for the chickpeas right off the bat, you go for the ham or cracked crab. Most people go for some substantial protein first. Roots are the same. They are not going to spend much energy looking for other sources.

World. Whenever one of us ripped our flesh on the omnipresent barbed wire, cactus spines, or the needle-like thorns of desert shrubs, we would attempt to respond with a superlative curse, in Spanish or English. “¡Chile chingón!” Humberto would cry as blood spurted through his torn jeans.

Humberto and I were attempting to determine the extent to which shady microenvironments beneath desert shrubs protected wild chile plants from the damaging solar radiation of such a hellishly torrid day. . . . How do they arrive at these “safe sites”?

And when one of them asks one of us, “Papa, why are chiles so hot?” we will look at one another and reply with a rhyme much sweeter than our earlier curses: “So birds will disperse them to nurses, while other creatures will not!”



If you put all these writings together, you have a great meal. Wine, olives and olive oil, and lots of vegetables, with peaches for dessert. The authors are all passionate about their subjects and the passion is contagious. —Daphne Derven

### Wine X Wine, Food and an Intelligent Slice of Vice

Darryl M. Roberts, ed.  
\$14.95/year (six issues).  
4184 Sonoma Mountain  
Road, Santa Rosa, CA  
95404; phone/fax  
707/545-0992.  
winex@wco.com,  
www.winery.com/winex.

A welcome deconstruction of the traditional ways of looking at wine and other things. Wine should be a joyous part of life and food, but rules seem to rule. Many are left feeling that wine is an elitist beverage. **Wine X** is targeting a new group of consumers, the so-called Generation X adults, with a new and revolutionary approach. As a Boomer, I was relieved that

“Our philosophy is that wine is about passion. It’s about friends, family, food, the environment you’re in and the music you’re listening to. And we think it’s about time people started treating wine that way, instead of placing it on a pedestal and worshipping it with a numerical value.

So published notes from our tastings are simple, straightforward and fun. No numbers, points, pie charts, bar graphs or revolutionary systems that require a calculator. (Please, give us a break!) While grocery lists, flowery descriptors and extemporaneous attitudes may fuel fire for the wine snob, they do not make the wine taste any better.

I was allowed to buy it without being carded.

“X-rated Wines,” their listings of wines recently tasted and evaluated, sports a new rating system: “XXX” indicates an exceptionally cool wine, with descriptions like “crisp, bright, a little green, kinda like a first year Vassar girl going after a Harvard med student.” Instead of standard wine and food pairing, “Sex, Wine & Rock ‘n Roll” pairs wine and music, e.g., BlueNote Records and Merlot. There are recipes and directions on how to throw a party, but also a snowboarding/wine article, “Everyday wine is like an all-purpose mountain board. You can buy it and be happy.” Add some columns, like the Wine Guy (“Rule #1 There are no rules”), and the Wine Bitch, and an open forum for reader opinions. I loved **Wine X**. Read it with some friends, hopefully including at least one Gen Xer, and a bottle of your favorite wine. —DD

XXX EXCEPTIONALLY COOL  
XX HIGHLY RECOMMENDED (KILLER KINE)  
X RECOMMENDED (GETS IT DONE)

XX Beaulieu Vineyard  
1995 Chardonnay  
Carneros \$14

Smooth, buttery, elegant, much like  
Uma Thurman.

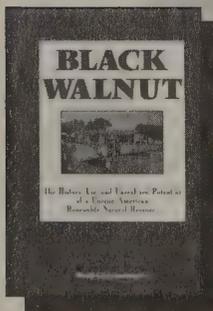
XXX Chateau St. Jean  
1994 Chardonnay  
Robert Young Vineyard \$24

This wine is like caressing the inner  
thigh of your love in a dark, crowded  
restaurant. Yikes!

### Black Walnut

Bob Chenowith. 1995; 334 pp. \$30  
postpaid. c/o Bob Chenowith, 606  
Gulph Road, Wayne, PA 19087;  
610/783-5245.

If J. Baldwin ever wrote a tome on black walnuts, it would sound like this delightfully personal book. Woodland owners, foresters, woodworkers, timber buyers, deer hunters, and conservationists will stroll with Bob among the black walnut’s friends, genetics, veneer, and history. To regenerate this native hardwood would be a wonderfully fulfilling lifetime work. Only forty to eighty years to select grade furniture stock. —PW

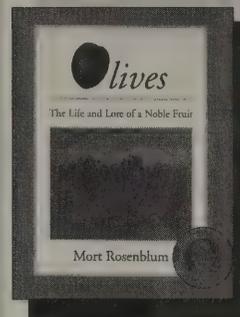


### Olives

#### The Life and Lore of a Noble Fruit

Mort Rosenbaum. 1996; 316 pp. \$25. North  
Point Press.

The world seen through an olive. Seriously, this is a very personal crusade by Mort Rosenblum, who found old olive trees on his farm in Provence and started a quest to discover the best olive oil and how to make it. You will meet a wonderful global array of olive trees and oils, and their caretakers. You will find it necessary to have several bottles of olive oil handy when you read this. —DD



“At some point during the last three thousand years in which they have been growing olives, Tunisians

devised a clever way to remove them from trees. They saw off the last three inches from the pointed horns of a young goat. Then, slipping the curved and hollow tips over three fingers of the picking hand, they claw the branches at lightning speed. Olives tumble onto a tarp below. Neither fragile bark nor skin suffers in the process.

No one else uses this method. In fact, not many European growers even realize that Tunisia turns out a golden oil that ranks with the best. Or that at the edge of the Sahara Desert, where rain often neglects to fall, a single well-tended giant chemali might produce 800 kilos of olives, nearly a full American ton. Its close relative, the French cailletier, seldom produces fifty kilos across the Mediterranean.

“Let us assume the Arnold

Schwarzenegger of squirrels carries a walnut 400 yards in one direction, plants it, and the nut becomes a tree and produces another nut in 10 years. If this process is repeated by Arnold Schwarzenegger II, and repeated every ten years thereafter, it would still take over 40 years for walnut trees to advance only one mile from the first mother tree. It would take over 400 years for walnuts to advance 10 miles. Thus, unless an abandoned pasture or field is already close to walnut trees bearing nuts, no walnuts are likely to occur naturally in that field. Without the help of man, walnuts do not move far.

“The Pilgrims held their council meetings at a walnut table at Plymouth Hall. Aaron Burr composed himself over lunch at a walnut sidebar after killing Alexander Hamilton in a duel. Dolly Madison served tea from a walnut buffet to her husband and generals while they talked strategy in the War of 1812.... Daniel Boone, in anticipation of death, had a black walnut coffin built, polished, and often practiced lying in it to the chagrin of his kin.

“Nuts that float can be discarded, because the kernel will be shriveled and worthless. *A good nut will not float.*

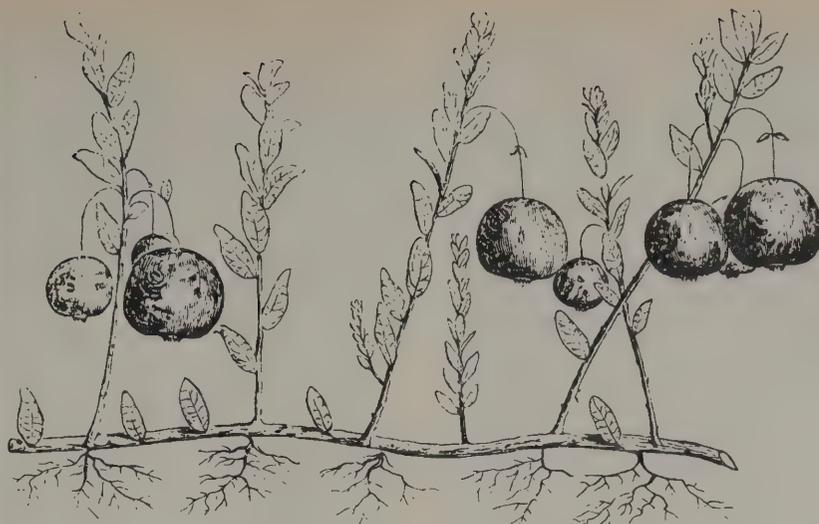
## The American Cranberry

Paul Eck. 1990; 420 pp. \$50.  
Rutgers University Press.

This is America's berry as much as the turkey is our bird. Paul Eck is the blueberry and cranberry wise man. In a world where intellect is confused with algorithms, Eck reminds us of the elegance imbedded in intimate knowledge. His prose scoops facts like a cranberry picker. A most scholarly and pricey work: history and

economics, botany, industry, plant improvement, environment, plant growth, diseases and insects, harvesting and handling. Herein lies another great future: the return of native cranberries and the culture of organic ones. —PW

“The cranberry is believed to have been present at the first Thanksgiving feast. Roger Williams, in what is probably the best-known account of the event, wrote of the Pilgrims' use of the red berry—“ate plentiful of the strawberries that grew abundantly in the place.” Historians generally agree that what Williams referred to was the cranberry

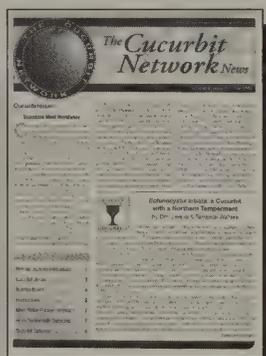


The cranberry plant, showing the relationship between the runners and the uprights.

because strawberries are a spring crop. Williams used the only word he knew to describe the yet unnamed red berry.

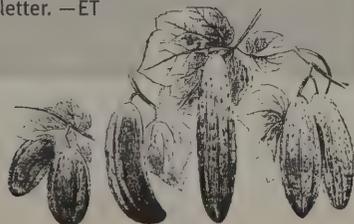
“Originally, canning was visualized merely as a method of utilizing fruit that was not suitable for fresh sales. By the 1930s the industry realized that canning was not only a way of using unsold fruit but was also a method of providing cranberries to the consumer all year round. Thus, in 1930 mass production canning techniques were introduced, and canning became a serious alternative to fresh sales.

“Whereas fruit acids such as citric and malic are metabolized by the body and as such do not contribute to body acidity, the quinic and benzoic acids of the cranberry are converted to hippuric acid and eliminated in the urine. The amount of hippuric acid produced is directly proportional to the weight of the cranberries eaten and is normally expelled within 24 hours.... The effect of cranberry juice in lowering urine pH and increasing its hippuric acid content gives it merit as an inexpensive, nontoxic, and palatable acidifying agent for the treatment of acute urinary infections.



The Cucurbit Network Membership \$10/year. PO Box 560483, Miami, FL 33256, walters@servax.fiu.edu, <http://probe.nalusda.gov:8000/otherdocs/cgc/tcn>.

The Cucurbit Network does for cukes, gourds, watermelons, and their siblings, what the Pawpaw Foundation (see p. 25) does for pawpaws. TCN promotes conservation and understanding of the roles of the whole cucurbit family. Read all about it in their semi-annual newsletter. —ET



## Epitaph for a Peach

Four Seasons on My Family's Farm

David Mas Masumoto. 1995; 233 pp. \$12.  
HarperSanFrancisco.

David Mas Masumoto is a peach farmer and peach poet. His Sun Crests, “one of the last truly juicy peaches,” are decreed obsolete by brokers serving a public prepared to sacrifice taste for shelf life. *Epitaph* chronicles his last-ditch effort to squeeze out a living on his terms, with his peaches. He is no abstract romantic; he lives every day in the realities of unpredictable growing conditions and market vagaries. He is also a stubborn, pragmatic lover. Whether those qualities can finally save his way of life is still unclear, but they offer the best hope that not all family farming stories will conclude as epitaphs. —MKS



“My Sun Crests help me understand what this old farmer knows. I began the year ready to wage a foolish war, one farmer battling nature, my peaches fighting for a niche in the mar-

ketplace. Over and over, though, my struggles were resolved only when I included my family and my neighbors as part of the solution. The greatest lesson I glean from my fields is that I cannot farm alone.

Can I afford to keep my Sun Crest? Or should the real question be, Why not? My peaches offer me a taste for life; they teach me about the flavors of nature. I decide to keep them for one more season. I feel an obligation to try because I have an opportunity. The ghosts who dance in the winter fog whisper this to me. They trick me into pruning one tree and then another and another. They coax me into replanting a new tree to replace one that dies.



## The Business of Flowers

**Survey by Karen Van Epen.** Fresh and dried cut flowers constitute a potentially lucrative crop for small or backyard farmers. Stylish florists and designers will pay high prices for lovely and unusual blooms. However, there are many pitfalls in this income-raising scheme. Chief among them is how to produce which

### Specialty Cut Flowers

**The Production of Annuals, Perennials, Bulbs, and Woody Plants for Fresh and Dried Cut Flowers**

Allan M. Armitage. 1993; 372 pp. \$39.95. Timber Press, Inc., The Haseltine Building, 133 SW Second Ave., Suite 450, Portland, OR 97204; 800/327-5680, 503/227-2878, www.timber-press.com.

Allan Armitage has assembled extremely valuable information about propagating and growing from a myriad of sources (which he cites). For a wide variety of blooms, he furnishes specifics which you will not find anywhere else. Field performance, postharvest treatment, pest problems, and environmental factors of flower production are detailed for hundreds of flower-producing plants.

“ Stem plugging: Air bubbles, which restrict the upward flow of water, occur after harvesting with many types of flower stems. Recutting stems (approx. 1”) under water reduces the blockages. Warm water (approx. 110°F) and acidic (pH 3.0-4.0) conditions reduce the effect of air bubbles. This is a particularly effective and simple means of treating limp and droopy flowers.

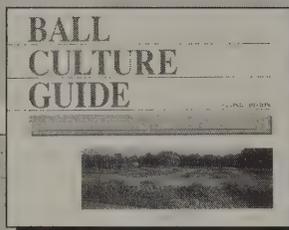
flowers and when. Growers tend to be secretive with this information, fearing competition and the loss of markets. To help you crack the codes and figure out the best money-makers for your situation, here are some books and resources, whose authors are probably in trouble somewhere for revealing state secrets.

### Ball Culture Guide

**The Encyclopedia of Seed Germination**

Jim Nau. 1993; 143 pp. \$42. Ball Publishing, 335 North River Street, PO Box 9, Batavia, IL 60510, 630/208-9080.

The reason more people don't grow plants from seed is that it's not easy to do. So, if you're serious about growing a crop, you'll want to know what you're dealing with. This guide originated for nurseries and consists of charts showing details like time and conditions for germination and growth, transplanting schedules, row spacing, and so on. For high value crops, the information is invaluable. 160 crops are covered: bedding plants, cut flowers, vegetables, herbs, and ornamental grasses.



<b>CACALIA</b> Emilia javanica cv. Lutea (Tassel Flower)	40,000/oz. 1,400/g.						
<b>Ball Culture:</b> Cacalia is an easy-to-grow annual which produces clusters of small, fiery scarlet or orange flowers on 24-in. (61-cm) stems. When sown in early spring.							*Cacalia responds well to marbled o.
<b>CARTHAMUS</b> C. tinctorius (Safflower)	800/oz. 28/g.	88-72	20-22	L	5-14	15-	
<b>Ball Culture:</b> Produced as either dried or fresh everlasting cut flowers, this crop does best when grown direct to the field or greenhouse bed. If to be transplanted, start seedlings in clay trays and don't attempt single seedling sowing until from an open germination tray.							Greenhouse g all flower 13 Euro. Don't 60-1060 f v.
<b>CELOSIA</b> C. plamosus	39,000/oz. 1,366/g.	75	24	C	8-10	10-	

### Heirloom Vegetable Gardening A Master Gardener's Guide to Planting, Seed Saving, and Cultural History

William Woys Weaver. 1997; 439 pp. \$45. Henry Holt and Co.

This is an amazing book. A garden is not a requirement, although you should have eaten a vegetable at some point. The book springs from Weaver's enduring passion for both gardening and research and his hope that these strange, endangered varieties will not become extinct. You may never be lucky enough to try a Goat Horn Pepper, or Skirret, or a Snake Melon, but you will never look at a vegetable the same after navigating the world of vegetables under Weaver's loving guidance. Read about these vegetables the way you might a book of poems, slowly savoring the flavors of each. —Daphne Derven



Old White Egg and Black Egg eggplant are shown with a brown chicken egg to give a sense of scale.

“ The earliest type of eggplant to reach England in the 1500s was a white ornamental variety with fruit the size, color and shape of a chicken egg. As a result, English is the only European language that associates the *melongena* with the appearance of an egg....

The most stunning of the nonwhite varieties...is the Black Egg, which produces perfectly edible 3-inch egg-shaped fruits....All of these egg-shaped varieties are prolific producers on compact bushes about 2 feet high. They will also cross with one another, so they should never be grown together for seed-saving purposes, unless of course it is the object to create some curiously marbled varieties. I am working on one right now that is green, purple, and white. It might look pretty interesting on a focaccia.



## Big Bucks Bouquets

### The Association of Specialty Cut Flower Growers

PO Box 268, Oberlin, OH 44074.

This unique membership organization publishes a fine newsletter and holds an annual conference for growers. There is no substitute for what you can learn from experienced colleagues.

### Selling Cut Flowers

\$4 from Growing for Market, PO Box 3747, Lawrence, KS 66046.

A great, inexpensive way for prospective cut flower growers to inform themselves is this special issue of *Growing for Market*, the excellent monthly periodical. Articles consider marketing options, growing recommendations, good flowers for your region, dealing with

wholesalers, and other tips from growers.

### Gardening for Flower Arrangement

Arno Nehrling & Irene Nehrling. 1976; 288 pp. \$5.95. Dover.

Ignore the dorky flower arrangements, and pay attention to the Nehrlings' sound instructions for growing sturdy-stemmed, long-lasting cut blooms of all kinds. Non-technical directions for propagating and growing, forcing early blos-

soms, prolonging the life of flowers in the vase, and drying plant materials.

### HortIdeas

Gregory and Patricia Y. Williams, publishers. \$20/year (12 issues). 750 Black Lick Road, Gravel Switch, KY 40328.

The Williamses read through and report on all the latest horticultural information, with a good eye for the newest, most useful techniques, plants, tools, and books.

### Ball Perennial Manual

**Propagation and Production**

Jim Nau. 1996; 487 pp. \$65. Ball Publishing, 335 North River Street, PO Box 9, Batavia, IL 60510, 630/208-9080.

Comprehensive bioregional book for the eastern deciduous woodlands and regions that mimic those conditions (like parts of the Mid- and Northwest).

## A Place in the Sun

### The Evolution of the Real Goods Solar Living Center

John Schaeffer and the Collaborative Design/Construction Team. 1997; 187 pp. \$24.95. Chelsea Green.

Other multimillion dollar businesses design their headquarters to be a symbol of corporate power and prowess. Real Goods Trading Company designed their Solar Living Center to be a demonstration of natural energy flows and corporate responsibility (with some gentle pedagogy and fun thrown in for good measure). It's living proof that living lightly on the Earth can be



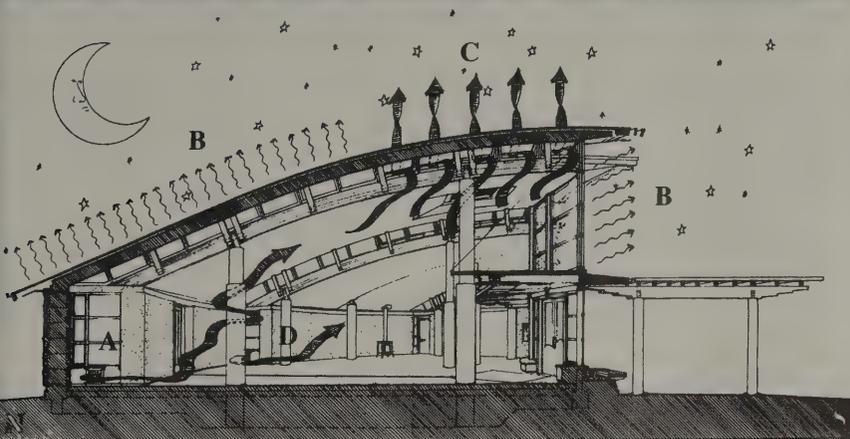
aesthetically satisfying, ecologically sound, and affordable—just what you'd expect from the world's most famous purveyor of the accouterments and knowledge needed to achieve that worthy

goal. In this lively documentary, founder John Schaeffer & crew present the principles and principal actors that brought about this extraordinary oasis. The multi-talented team reveals their process in intimate detail, including mistakes, with an uncommon truth and humility. It's a rare and inspiring pleasure to read. —J. Baldwin

## Aeron™ Chair

Suggested retail price \$765-\$1225. Herman Miller for the Home, MS 0443, 855 E. Main Avenue, Zeeland, MI, 49464. Call 800/851-1196 for dealer locations.

Let us celebrate a really good design. The three available sizes of this paleontological-looking affair will intimately fit, not merely accommodate, just about any size and shape of humanoid. The springy mesh seating surface adapts to your anatomy without engendering sweaty hot spots—a feature that reduces the need for air conditioning (as suggested by Amory Lovins). An array of controls, all reachable while you're seated, adjusts altitude, geometry, lumbar bulge, and the squishy arm pads that quickly raise, lower, and swivel to support your elbows for up-close work, mousing, or leaned-back relaxing. It's the chair you wear. It does the deed like no other. Environmentally OK, too: it's made mostly from recycled and recyclable materials, is sturdy, and is easily repairable on site. Um, yes, the price. It's high, but you pay a lot more per hour for the seat in your car. Sold! I'm sitting, happily, in my Aeron as I write this, and I like the thing more every day. —JB (He of the Tender Buns)



### Night Cooling Mode

A. Fans in the evaporative coolers run after hot (100°F+) days for additional air changes. B. Roof & high windows radi-

ate heat to the night sky.

C. A "stack effect" draws out warm air through clerestory windows and draws in cooler air through floor openings.

D. Night sky radiation and cool night temperatures are used to "charge" the thermal mass of the building with "coolth" for the next day.

## The Chairmaker's Workshop

### Handcrafting Windsor and Post-and-Rung Chairs

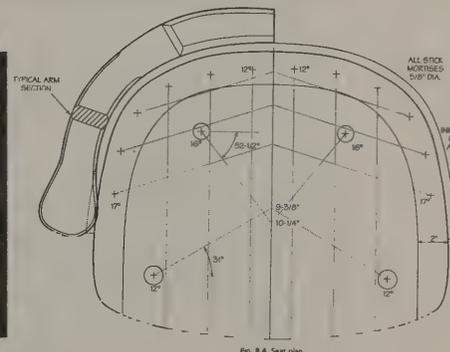
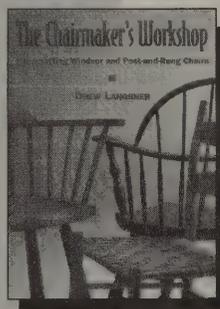
Drew Langsner. 1997; 304 pp. \$34.95. Lark Books, 50 College Street, Asheville, NC 28801, fax 704/253-7952.

### Country Workshops

Drew Langsner, Country Workshops, 90 Mill Creek Rd., Marshall NC 28753; 704/656-2280.



The ultra-competent Aeron chair extolled nearby offers an unusually close relationship with your body, but mere choosing and using doesn't do much for your soul. To experience the intimate bond arising from conception and birth, you must coax your dream-chair into being from hand-shaped tree wood by yourself. This book—also a labor of love—will guide your hands and spirit as if you were at the side of its friendly author, master craftsman Drew Langsner. The only way to get closer would be to attend one his workshops in the mountains of North Carolina—something I highly recommend as a balance and antidote to a *Digeratis velocitus* lifestyle. —JB



Above: Detail of a low-back stick Windsor by the author. The steam-bent arm has an

additional crest rail and hand pieces. Red oak, with tulip poplar seat.

Below: Seat plan for a stick Windsor, designed around a solid plank seat.

“ But there comes a time in the life of an innovator, after you are told one too many times, “You can't do that,” when you smile and do it anyway. Such was the case at the SLC [Solar Living Center] when we had the idea of finishing the straw bale walls with earth. The plans showed a cement gunite finish. We told the official we intended to use earth as the final finish. The building official demanded calculations and tests even though the earth finish had no structural function and health and safety issues were not involved. We told him as much. He threatened to stop the job. I declared, “Let us spray.” We sprayed. He didn't stop the job. The walls are there and everybody loves them. —SYM VAN DER RYN, ARCHITECT





Soul and money. Money and soul. An odd couple waltzing the grand stage of our lovely turquoise planet. Is money the soul of the contemporary world? Is soul the crucial partner, yearning to choreograph financial eurythmics? No doubt, the odd couple are essential players, major movers of our animate existence. They dance in the habitat of our emotions, where desires reel through the brain; where we decide how to treat others, what to buy or sell, invest or divest, gift or will to the next generation; and where we wonder if we perceive need and ill-fortune with clarity and honor; if we are splurging or hoarding our wealth out of habit and addiction.

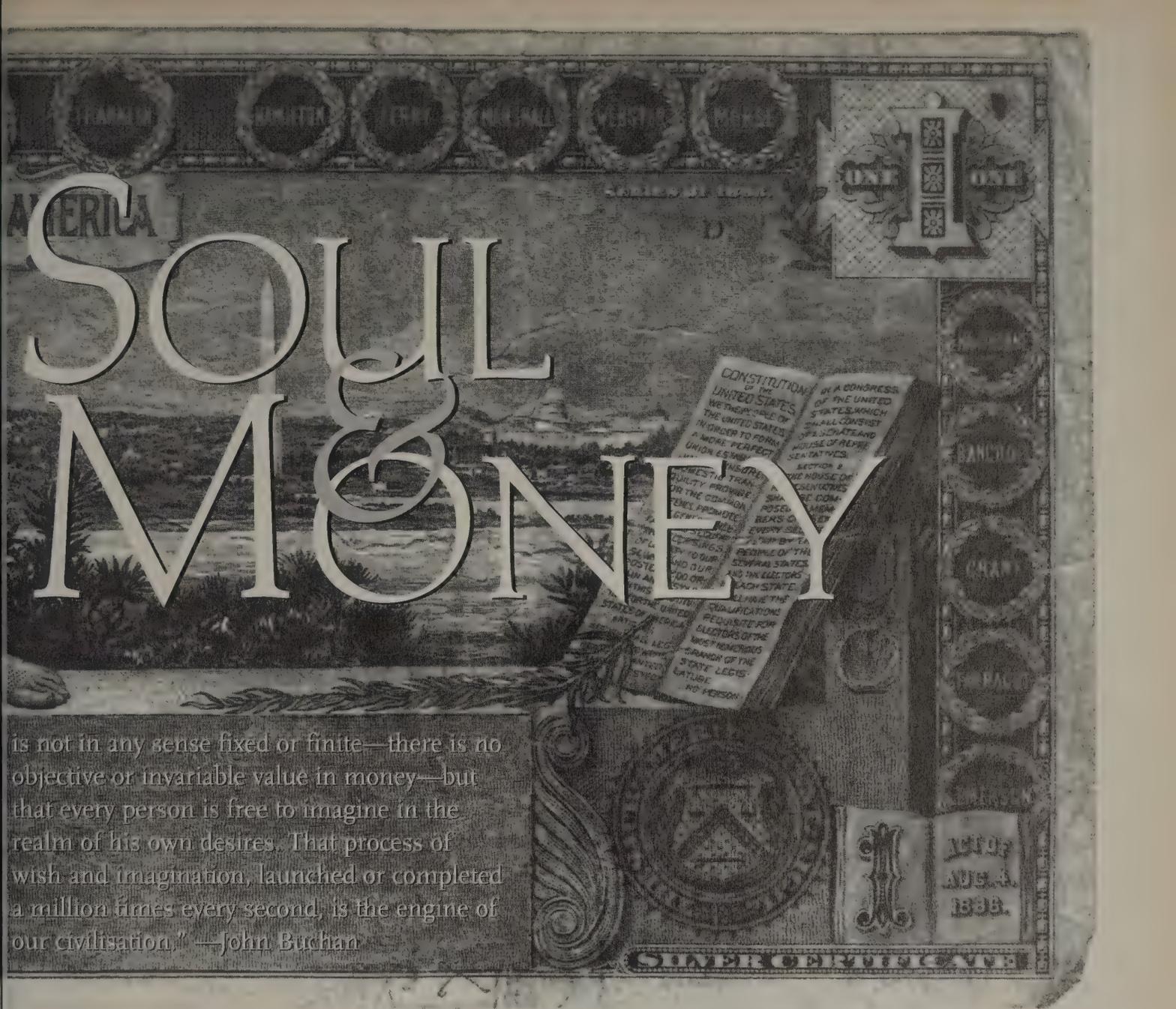
Every waking moment, soul-mediated money arrangements appear in individual and collective behavior. They emerge highly nuanced, as subtle affairs between soul brothers and sisters, and, for many of us, between humanity and floral and faunal souls. They become so intricate that only the great writers—Cervantes, Dickens, Dostoyevsky, Ihara Saikaku, Balzac, the Gospels, Henry James, George Eliot, Goethe, et al.—have exposed the darkness (and occasional beauty) of the enigmatic coupling of legal tender and love.

Whole Earth shuffled into these overwhelming goings-on. Select articles arrived; new thoughts popped up; and

deadlines crept closer. We cartooned five “improvisations,” obviously mixed up in daily life, within which humans dance to postmodern Money & Soul.

### The Choreographies

**Folk Dance:** With clear ideals, “folk dancers” strive for sympathetic, soulful cashflows; earning and buying only in those parts of the market system that will do no harm. Clean hands and clean money notate the score. Some folk dance locally. Their soul is in barter, volunteering (page 97), voluntary simplicity, time exchanges, and local currencies (page 50). Others remain in the larger arena: companies like Patagonia, mission-based portfolio



# SOUL MONEY

is not in any sense fixed or finite—there is no objective or invariable value in money—but that every person is free to imagine in the realm of his own desires. That process of wish and imagination, launched or completed a million times every second, is the engine of our civilization.” —John Buchan

managers (page 77), microloan groups (page 93) and social venture capitalists (page 85).

**Boogie:** First play the market, get comfortable, then do good. “Boogiers” enjoy the money game but know, in their souls, that unbridled greed and extravagance is a dead end to inner contentment. They are the patrons of the arts, George Soros (page 58), tithers, some members of Congress or mayors, and many organized philanthropy personnel who see monetary gain as a partner to soulfulness (pages 65, 70).

**Highland Fling:** Play the market, it does good. “Highlanders” dance to markets, which they believe will self-

organize the economy with soulful results (page 44). State-based philanthropy (page 75), they believe, has been unable to implement effective social welfare and environmental management. Religion and family teach the discipline of soul and charity.

**Moshing:** Tainted money and dirty hands play the music. These spiritual warriors forgo clean hands and clean money, slamming in the contemporary moral morass. Here, soul reasons and discovers love in the trenches. Some moshers buy “tainted portfolios” to start proxy fights to change corporations (page 84). Some citizens, banks, and businesses risk capital on commu-

nities and businesses that could go gray, brown, or green (pages 84, 88, 90), or go belly-up.

**Tango:** It’s all there for the taking. Gamble, cheat. Join BCCI, Korean bank account departments, Charles Keating, the Mafia. But also the ambiguous heroism of local robbers like Robin Hood and charitable gestures toward workers in the drug trade.

Slow down. Money matters. In the US, revealing your IRS form is more taboo than lecturing to a friend on the details of sex. Read these pieces, compose your own ways to step to the music.

*Peter Waters Hall*



### Frozen Desire The Meaning of Money

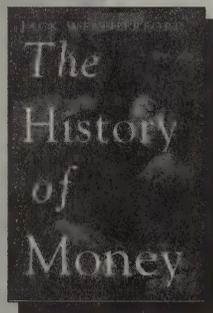
James Buchan. 1997; 256 pp. \$25. Farrar Strauss Giroux.

**Frozen Desire** is my personal favorite. A quote starts our Soul and Money section (page 38). If we have money or don't have money, we reflect and act out our desires through it. As Dostoyevsky wrote in *Crime and Punishment*, we coin our liberty, our sense of freedom, by having more or less; by thinking about how we and others should have more or less. Buchan is the only nonfiction writer willing to trek into this dangerous world, the jungle strangeness and shadowy elusiveness of money and desire. Hard/cold cash and the joys of making hay, megabucks and peanuts, gold-digging seductions and filthy-lucre white collars, the chicken feed and the mother's milk of politics. His breadth is huge, from Homer to Rembrandt to liability/asset management to John Law. And quixotic. A long-time reporter for the *Financial Times*, his Middle East beat gives him remarkable insights about money and desire. An accomplished writer with a roller-coaster style that loops you back to read the best paragraphs two or three times. —PW

### The History of Money From Sandstone to Cyberspace

Jack Weatherford. 1997; 293 pp. \$25. Crown Publishers.

The **History of Money** is written by pop-anthropologist Jack Weatherford. Many well-told stories. We watch "monetized" cacao beans underwrite the ripped-out, still-beating hearts of Aztec sacrifices. We think through the cash/coin monies of the American poor vs. the plastic money of the American rich; see the entanglement of prostitutes in sacred temples of the Middle East and donations of golden coins to the gods. Weatherford provides a clear sketch of how national governments are subverted by the global fungibility of electronic pulses. A breezy read. —PW



“ Even minute amounts of gold had great value, people had always found ways to adulterate gold coins. One of the simplest was to “sweat” the coins by vigorously shaking them in a pouch so that they hit and scraped against one another, a process that invariably left a little gold dust behind. One of the earliest solutions to this problem by merchants in the Mediterranean was to seal gold coins

“ From our vantage, we can see that money is of no particular substance and may be of no substance at all that whatever money is, it may be embodied in coins or shells, knives, salt, axes, skins, iron, rice, mahogany, tobacco, cases of gin; in persons; in a word or gesture, paper, plastic, electronic impulses or the silver ingots raced through the streets on trays at sundown to make up accounts between foreign banks in my mother's father's days in Hangkow. Over time, money has shed its qualities, like a suitcase caught in the door of a moving train scatters possessions, and the only attribute of a modern piece of money is its quantity, its oneness or five-ness or fiftyness: everything else about it is redundant or tasteless ornament....

Yet almost all human beings have a vivid sense of what money is, for it arises in their inmost nature: their sense of self as nurtured by possession.... A word describes more than its vowels and consonants, is a symbol of a particular existence in the world on which at least two people agree.... The difference between a word and a piece of money is that money has always and will always symbolise different things to different people: a banknote may describe to one person a drink in a pub, a fairground ride to another, to a third a diamond ring, an act of charity to a fourth, relief from prosecution to a fifth and, to a

in a small purse with the exact value and type of coin written on the outside. Thus merchants became accustomed to accepting in payment a coin that they could never touch or see. The merchants had to have faith in the stamp of the person who first sealed the coin—usually another merchant, a government official, or a banker. It was only one more step from this process to keep the gold coins in a safe place and circulate only the label.

“ In the 1950s, anthropologists who studied poor communities around the world noted the high reliance on many small monetary transactions conducted almost exclusively in cash. The high reliance on cash became an almost universal identifying characteristic of poor people. In studying the poor Indian immigrants from the countryside into Mexico City, Oscar Lewis found that they rarely bought in bulk but instead bought minute quantities. Rather than shopping in a large grocery store, the Indians more frequently bought small meals or snacks such as tacos, ice cream, pineapple, or a plate of beans and rice from a local vendor. They bought ciga-

sixth, simply the sensations of comfort or security.

For money is incarnate desire.

“ What Rembrandt has understood, and portrayed as nobody before or since, is the strangeness of money: that it breaks the chain of desire and effect. Money provokes people to act, for the sake of payment, in a fashion that, if they knew how the action would turn out, they would not contemplate. Rembrandt seizes the moment when the veil of money is torn asunder and wish and consequence come explosively together: Judas realises that he has assassinated the Son of Man.

“ What Voltaire did not know...was that world history had moved on a bit and the treasure of the Bank of Amsterdam on which the whole enterprise rested was not metal but faith. That faith is what we call credit: the belief, not that a person or persons have money, but that they can get it.

“ People want money—even Pope speculated in South Sea stock in 1720—not merely because they live in cities and must have it to feed but to make actual or imaginary their wishes, which, because they are also gratified by money, take on the character and urgency of need; and they will subscribe to a system of belief that promises to moralise and justify such satisfactions.

rettes one at a time from a local vendor even though they cost twice as much as cigarettes bought by the pack or carton in a store.

Similarly, people in the poorest parts of contemporary American cities buy hamburgers or fried chicken for cash and for one meal at a time. Even in the grocery store, they buy many snack foods already packaged in small, and therefore more expensive, amounts....

Liquor stores sell far more alcohol in one-pint and even half-pint bottles in poor neighborhoods than do liquor stores in wealthier suburbs where people can buy by the quart, gallon, or case and pay for it without cash. Even when buying illegal drugs, people in the ghetto buy smaller, more expensive quantities, or hits, than middle-class or affluent customers. Poorer users buy crack by a single dose, marijuana by the smoke, or heroin by the syringe, whereas those from more prosperous neighborhoods can afford to buy their drugs at bulk rates, by the bag, gram, ounce, pound, or kilogram.

Proportionally, the poor pay substantially more for these goods and services, whether legal or illegal, that they buy in small quantities.



# THE SACRED & PROFANE HISTORY OF MONEY

PETER  
LAMBORN  
WILSON

The first coin was not a practical means of symbolizing exchange (as the economists believe): the earliest coins were temple tokens, pilgrimage souvenirs, detachable bits of holy power, made of substances at once chthonic (underground) and celestial (sun/moon, gold/silver)—an exchange not between humans but between humans and spirits. As coinage is “secularized” it already appears as debased, polluted with lesser metals, subject to “inflation.” But inflation is breath, i.e., spirit. Money begins as half spirit half material, a doorway between worlds. But money becomes ever

more spiritualized as it circulates through “History.” Money is a Gnostic System, or an Imaginal Machine. “Advances” in the abstraction of exchange are always introduced by mystical orders, as for example the perfection of checking systems by the

Assassins and Templars. Banking appears as a kind of alchemy, making wealth out of credit, something out of nothing. And the whole process can be summed up by the US dollar bill, a virtual crypto-text on the aethereal nature of money.

Peter Lamborn Wilson is my favorite anarchist historian and intellect. His most recent books give only a slight indication of his range of mental spaciousness: *Shower of Stars*, *Dream & Power: Initiatic Dreaming in Sufism and Taosim*, and *Pirate Utopias: Of Moorish Corsairs & European Renegades*. From *Autonomea*, Box 568, Brooklyn, NY 11211. 718/387-6471. —PW

The Hermetic philosophers of the Renaissance revealed the secrets of money, but their theories were debunked as mumbo-jumbo and secretly appropriated by the masters of the new paradigm whereby money was launched completely into the world of pure spirit (or “rational mind,” its secular shadow). Etherealized as sheer representation, money could become paper (text) backed by metal, then by imaginary metal, then by sheer imagination—pure textuality. By the eighteenth century all nation-states were in debt, to their own self-created

banks. By 1973 the long alchemical process ended with Nixon’s “toppling the gold standard,” a feat of pure heraldic magic. The “Global Market” manifested as a gnostic sphere in which thought, transmitted at digital speed, coagulates as symbolic wealth. By now a trillion dollars a day whirls around the globe in a noosphere (or “numisphere”) of its own, devouring all such lesser ideologies as communism or democracy. “Money’s gone to Heaven,” become absolutely pure, and all-powerful. This is the future. This is the Millennium.



**Barter**



**Commodity Monies**



**Paper Monies  
with metal backing**

**M**oney, though always based on trust, demands some material presence. Even electronic means of payments (emops), though speediest for exchange, remain secured by paper records and ledgers, held in safe deposit, to reliably store their value. Humans go back and forth on money's proper ingredients. As times worsen, as in prison camps or during disasters, money returns directly to "GO" —bartering flourishes, trading with cigarettes or jewelry, even children.

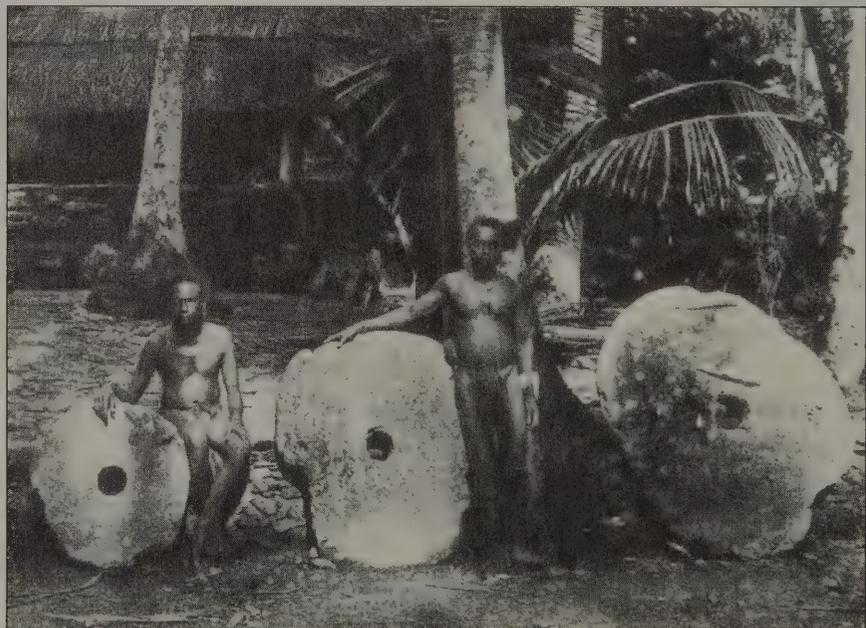
In "safe times," the matter of money appears to progress or evolve. As a unit of account or store of value, money gravitates toward forms that

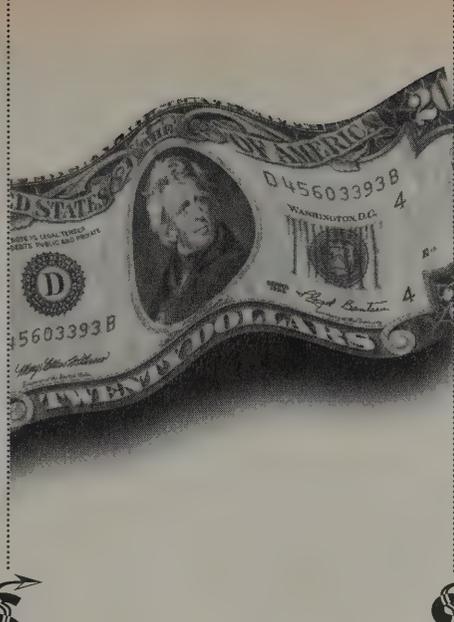
accomplish exchanges of goods in shorter and shorter events; has wider and wider acceptance (while retaining local value); subdivides easily so trade can become fine-tuned; and diminishes in size and weight (less in robustness) so it can be easily carried and stored. Thus, the illusion of progress: barter to commodity monies to paper-with-metal-backing to paper-with-no-backing to electromagnetic-storage-and-transmission-secured-by-paper-with-no-backing. (Other variants exist.)

Each step is faster: paper then e-monies accelerate the transmittal of monetary information. Each step is also more fragile. Global e-money's store of

On the Pacific Island of Yap in the Western Caroline Islands, southwest of Guam, select payments were made with limestone "disks" some 12 feet in diameter. Cut from quarries on the Pelew Islands, 400 miles away, the "money" holds the planetary record for size. In the past, Yap money was part of the conspicuous wealth of the aristocratic classes.

In daily life, commoners used more-easily carried shells. The rare blue lipid shells had more value than the common yellow lipid varieties. Today, the stones rarely move but still have status value. American dollars, Japanese yen, traveler's checks, charge cards, prepaid invoices, and electronic transfers have become the primary stores of value.





Many of the above images and images on pp. 62, 63, 65, and 71 are from *Money: A History*.

### Checks, Securities with paper backing then metal backing

### Fiat Monies paper with *no* metal backing

### E-cash with paper backing but *no* metal backing

value roller-coasters within hours, not days. While the Year 2000 will most likely avoid a planetary computer crash, you can be sure financial institutions will secure their accounts on more, stable certified paper.

Yap money (see below) is the lovely dinosaur. Commodity money is nostalgically local: shells, cattle (from which we derive "capital"), tobacco, teeth, cigarettes, chewing gum, beads, bronze in dolphin shapes, cacao seeds, gold, silver, copper, feathers, salt (from which comes "salary"), dried fish, almonds, cloth, corn, barley, coconuts, tea

bricks, rice, butter in cold climates, as well as paper money and coins. Today, only eight percent of the planet's money is in paper or coin. The rest is in ledgers.

Trust in barter is face to face. Contemporary trust in money is religious in the sense that its value relies only on *religare* (rules) made by banks and the customs of governance—far removed from most citizens' spheres of influence. And remember, money differs from wealth, a matter of richer substance. Wealth is well-being, an affluence, a contentment money may nurture but can never buy. —PW

### Money A History

Jonathan Williams, ed. 1997; 256 pp. \$29.95. St. Martin's Press.

**Money: A History** is the grand gallery of spectacular photos of "money" from cowries to Chinese Hell Bank notes to plastic cards. It was the money book most looked at and read by the staff. Truly whole Earth, produced by the Department of Coins and Medals of the British Museum, its chapters start in Mesopotamia and race through the Roman Empire, Medieval Europe, Islamic lands,



India, China and the rest of Asia, Africa, Oceania, and the modern period. Crammed with accurate facts, the prose is dry British, but who cares. The photography of Jeff Hopson and Jerome Perkins is luminous numismatic with details of coinage, etching, and

printing that grandstand the world of trade and power. A book as eye-catching as the St. Gaudens Double Eagle (my favorite gold coin). —PW

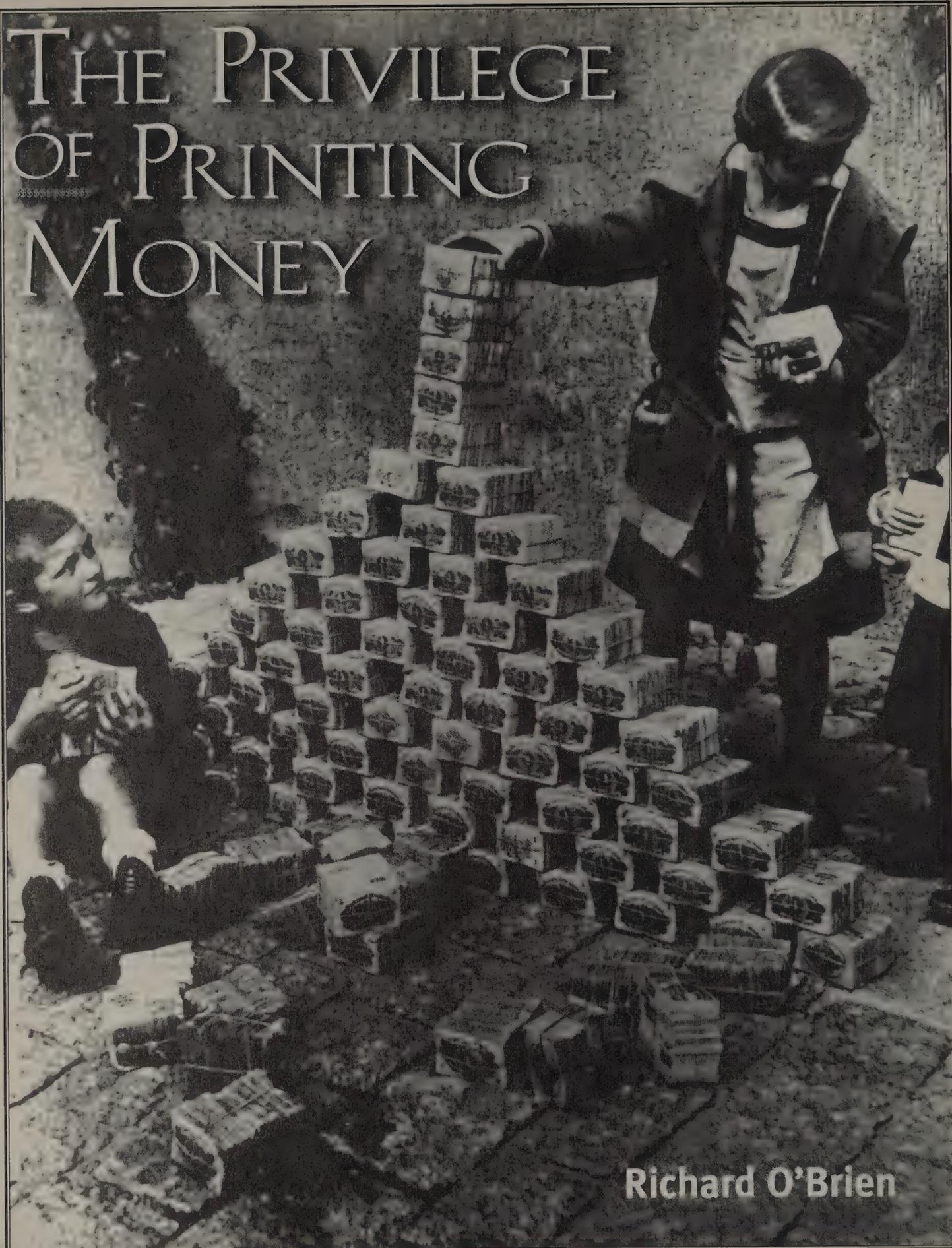
this metal were made the objects that are usually understood as the first coins in the Western tradition.... The Lydian pieces have a rough oval shape, thus resembling nuggets of gold, but they correspond to a system of regular weights, ranging from a group of

larger coins down to tiny pieces that weigh one ninety-sixth of the larger pieces.

“ Many Chinese scholars and officials wrote about their concerns over money, recognising that the circulation of money had the power to change human relationships and that money thereby had the potential to destroy the order existing in society. Those writers who opposed the use of coins and money tended to favour trade exchange in grain or cloth.

“ The main elements that characterise Islamic coinage were now in place. The side generally called the obverse had a text stating the unity and uniqueness of God. The reverse initially bore a text controverting the Christian doctrine of the Trinity. This was replaced in AD 750 by a statement of Muhammad's role as the messenger of God. These phrases are known as the *shahada* or *kalima*.

# THE PRIVILEGE OF PRINTING MONEY



Richard O'Brien

# Global Currency

The 1980s and 1990s have witnessed two major trends in the world of political economy: privatisation and globalisation. The first represents the shift to a greater reliance on the private sector and on markets to run economic activity, to determine the distribution of wealth and the allocation of resources. The second is represented by the collapse of barriers between countries, with labour in distant countries competing head-on with labour elsewhere, with products being assembled in connected factories across the world, with economies integrating as in Europe, and with powerful communications and computation bringing the world closer together.

There is a growing concern that this dash for privatisation and globalisation is putting the world at risk, that perhaps it is going too far and that it is time for some reversal or review. Such concerns come from people across the political spectrum—

from global investors such as George Soros to those on the left who have long deplored the privatisation trend and to both conservative and liberal politicians who have long been suspicious of globalisation, the growth of multinational corporations, etc.

It would be pointless to argue for and against globalisation or privatisation or markets as if they were such simple subjects. Money itself is purely an item of information governed by rules. We need some rules to govern what we mean by the forms of money we hold, whether we talk of conch shell money or plastic money. The information revolution has altered the ways in which we can hold money, how we can carry out transactions with money and how we can use money as a unit of account and record its value. We have globalised money already, insofar as it is possible to travel around and use a piece of plastic to carry out transactions without having to use one form of cash or to worry about carrying different currencies. The issuers of the plastic card deal with all that. I hope to inform the debate with my own observations as well as prejudices. Let us assume for the moment that the dominant drive at present is towards the world of free market (privatisation et al.) and fast growth of information technology. Let us recognise what we have at the moment.

Governments have four key privileges: the privilege to print money; the privilege to borrow money at prime rates compared to other borrowers; the privilege to impose taxes to raise money for government spending; and the privilege to write the rules that govern the financial and economic system, including rules that influence the directions of savings, e.g. into government bonds. Our currencies are issued by public bodies or quasi-public bodies like the US Federal Reserve System, who are charged with upholding the value of the money they issue, under the typical slogan of “promising to pay the bearer” the sum inscribed on the money. What that money is worth bears a direct relation to how it is valued, either in terms of other currencies

or in terms of goods and services. While economists will argue (as they do) about the niceties of the theory, if too much of the stuff is printed, at a much faster rate than real economic growth, then eventually the money won't be worth quite as much as it once was (i.e., prices of goods and services, measured in money terms, go up, or the exchange rate with respect to other currencies is devalued).

We trust our central banks, the issuers of that money, to protect the value of the money. (They never get perfect at this. The target is usually a loss no greater than five percent per year.) In turn, the central bank has to try to ensure that the government does not do things that will force it to print too much money. The best way for governments to defeat the central bank's intent is to spend too much money, borrow what the bank does not have, and then force the central bank to print more money to pay off the debts (the alternative being a government default). We as citizens also try to monitor that overborrowing on our own behalf and, through elected officials, have to say yes or no to the spending that takes place.

To simplify horribly, the shift towards privatisation is partly driven by the failure of governments

**Opposite:** Squeezed by reparations payments, a battered economy, and crippled borrowing power, post-World War I Germany took the only route left: the printing press.

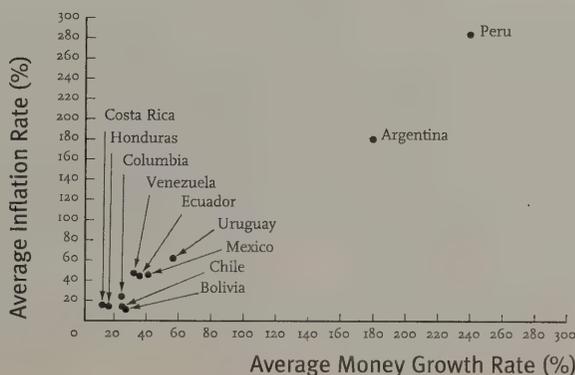
Between 1920 and 1923, monetary growth pushed the inflation rate beyond one million percent. German kids built paper towers. Nazism took root.

## Globalisation!

## Privatisation!

## Government Heartache!

## Bewildered Citizenry!



Governments print money. But if they print too much, the money loses value (inflates) compared to the

goods and services it once bought. Graph shows what happened in Latin America from 1986 to 1996.

## Financial Scapegoats?

Some people believe that... the amount of trading of real goods and services will... the indication often given that... in control (Official Input)... that the trade should be... for the rest of the... the... almost... by a... 15... that... even if it is about currency... is all about... and... We... and... that these global... traders... in our money... in... track... unless they... are truly... leaders... to... how... currencies... go... down... falling... they... are the... of the... world... A... thing... is... to... only... when... a... ment... to... enforce... an... un... monetary... policy... Group... 5... in... and... and... as... winter... We... should... regard... the... traders... as... a... useful... discipline... or... otherwise... un... the... government... only... makes...

to run their financial affairs. Governments have tremendous financial privileges and in many cases these privileges have been abused, or stretched, close to breaking point. Let me explain.

These privileges have been entrusted to governments by citizens, with the understanding that governments then use the tax revenues to pursue the desires of citizens, to spend on roads, social security, etc. Once upon a time these privileges were taken by force by governments, imposing taxes to finance wars and the monarch's expenses. Even today tax dodgers can be jailed. Printing excessive amounts of money, or debasing the coin of the realm, is another way of imposing taxes by the back door, but it is not something governments can do for long before the citizens rebel.

By the 1980s governments hit two money-based constraints. First, they had, in many cases, begun to reach the limits of borrowing, which in effect means the limits beyond which they could no longer get citizens to accept more taxation. And secondly, the discipline of international markets increasingly punished those governments who abused these privileges, especially by attacks on their currency. It no longer requires a revolution to lower taxation on people and companies. Companies, on behalf of profits and shareholders, can vote with their feet and move to another currency or labor force, in effect choosing another government with which to entrust their savings.

Now we could take a very liberal, if not libertarian, approach to this and say wonderful, the citizen's ability to discipline spendthrift government is now being supported by the marketplace. And if those citizens who have some "disposable" income do not approve of what government is doing, they or their pension funds have a choice of alternative places to entrust their savings. Once upon a time citizens had to take whatever their governments offered.

## Government Heartaches

The trouble with this, of course, is that this makes it harder for governments to pursue their objectives such as social justice, fighting wars and paying for munitions, income equity, access to health care, environmental protection or destruction, etc. In reality, they no longer have influence over, or are influenced by, just their own citizens, but are subject to many more outside pressures. One result is: our national currencies have to compete against other currencies even more than in the past. Thus the privilege of printing money is circumscribed by the need to ensure that money is worth something versus goods across a wider geography or in comparison to other currencies.

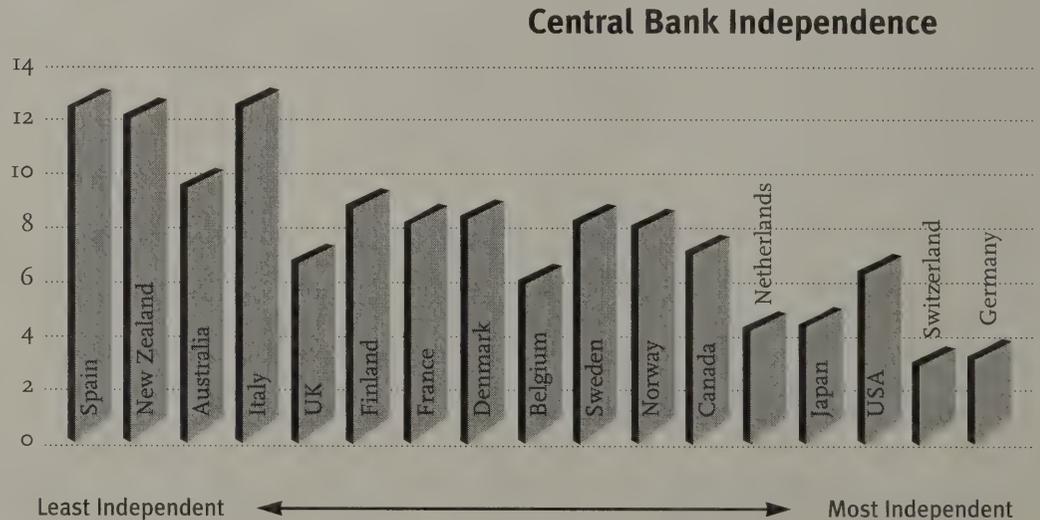
As a result governments are now trying to pool their financial resources, to cooperate financially across the globe, to stop tax loopholes, to uphold together the value of the currencies they issue, to control capital flight and drug money, to balance in-migration or out-migration of labor, and to work together to minimise the likelihood that the markets will disrupt what they, as governments, are trying to achieve. They hope that if they meet the financial market's discipline, they should have fewer problems in doing what they want.

There is another reason why governments have a problem: the welfare states built up since the 1950s have passed their sell-by dates. Societies are finding it harder to offer safety nets for those who need them, while stopping those who do not need them from abusing the safety nets. We want the money to go to the "right" place at the right time but find it hard to decide how to allocate those monies. In Britain, therefore, the Labour Government is having to attack several sacred cows: Should there be a means test to say who can get assistance? Should people be cut off from benefits if they turn down a number of options offered such

There is much debate about how independent a central bank should be. Independence seems to be correlated with keeping inflation low. The greater the banks' independence, the lower the inflation rate. Independence can shield the central banks from the whims of

short-term politics but it hands over power to an unelected few. If a central European bank (the Euro Bank) starts operating, it will influence the interest rates and inflation of 350 million citizens. What will the new "compact" between financial discipline and democracy look like?

Average Annual Inflation Rate, 1973-1988 (%)



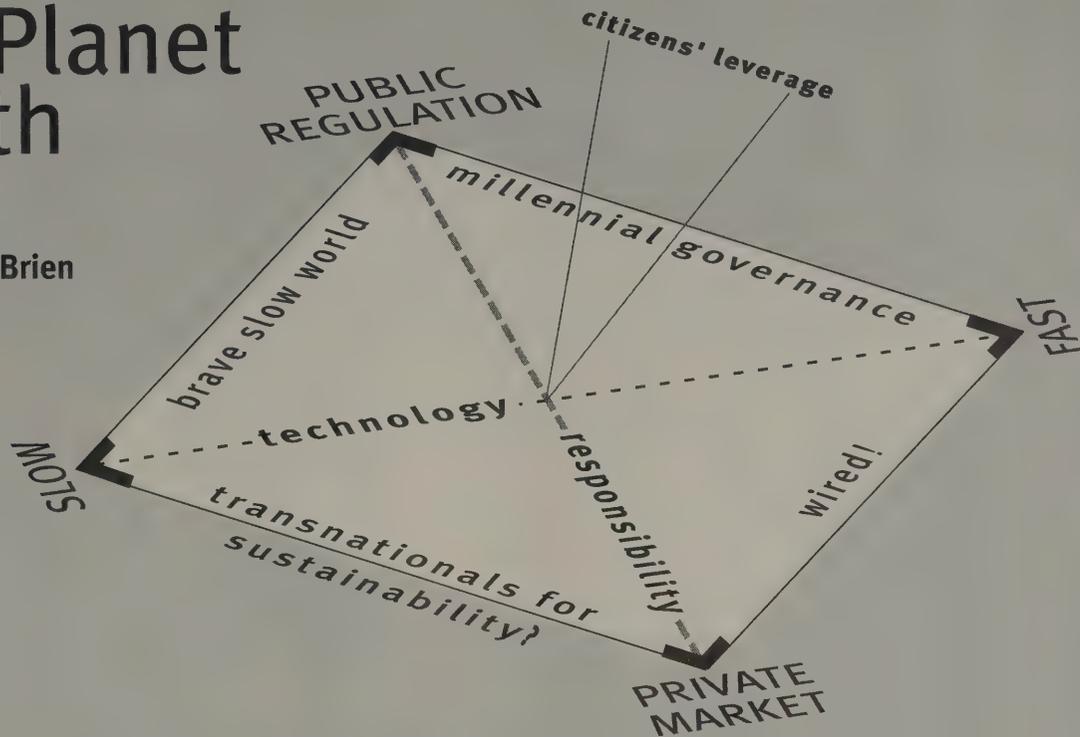
## Central Bank Independence

Least Independent ←

→ Most Independent

# Four Futures for Planet Earth

Richard O'Brien



There are, in my view, two important dimensions to the changes that we have been seeing and will continue to see. First, the dimension which I call the dimension of responsibility, ranging from one extreme where we rely upon government to be responsible, to the other where we rely on the private sector to be responsible. The second dimension is that of technology, ranging from the slow advance and development of technology to the fast advance of technology, and in this context I am particularly interested in information technology. With these two dimensions we can envisage four differing futures (see diagram).

In the "Wired!" quadrant, we have the world where information technology has been advancing rapidly with new and cheaper products, faster computers, as well as a fast uptake in the use of technology by people and companies. We are also in a world where the private sector is taking a great deal of responsibility for governing economic activity. This is the future towards which the industrial world has been

driving for the past twenty years.

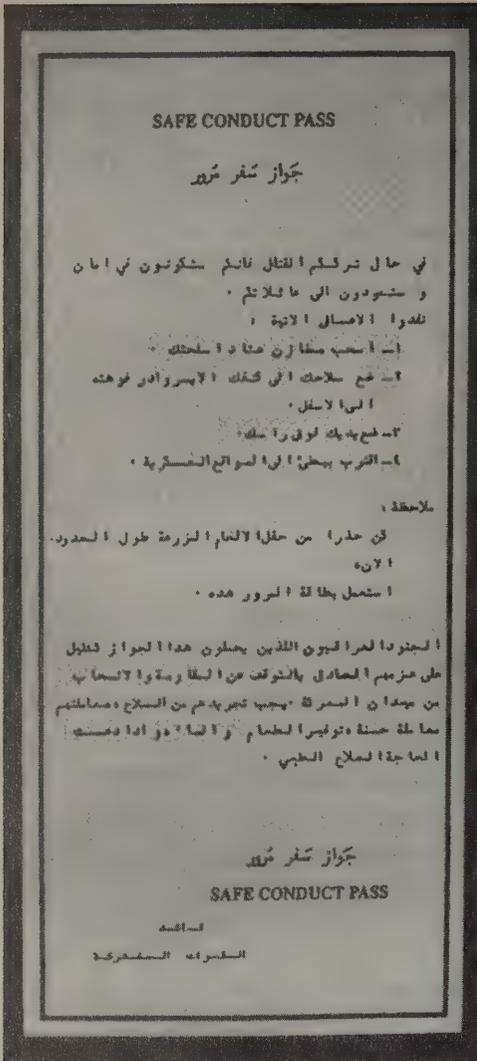
In the "Millennial Governance" quadrant, although technology has been advancing fast in development and usage, governments remain heavily responsible for much of a nation's or region's or state's activity. It is towards this future that perhaps we may move if citizenry vote, lobby, or otherwise act to reimpose more public sector control over economic, monetary, and fiscal activities, to put governments back in charge.

In the "Brave Slow World," we are in the world where governments are in control and technology is advancing only slowly. Perhaps users are finding it hard to keep taking on new technologies (the "saturation" effect) or these technologies themselves have started to slow their development, or technology has been tamed and regulated, made subservient to other goals. This could be seen as the world closer to that from which we have come. The subservience of technology, by re-directing taxpayer funds in research, development, and subsidies, has been promoted by "neoluddites" as well as those who feel

that social fixes to democracy and planet security should precede any further techno-fixes.

Finally, "Transnationals for Sustainability?," where free markets reign supreme but technology is slowed. This is perhaps a less-anticipated future. This future might come from a souring-technology catastrophe presaged by Chernobyl with nuclear energy, or the alleged Year 2000 nightmare when computers crash, or from transnationals forming a "shadow" government in which they agree to follow (or surpass) national regulations that protect the environment or nurture social equity. In this less likely future, transnationals self-regulate with a wider sensitivity.

These four futures should be seen as a mere structure for our thinking, not as four distinctive futures with little interconnection. We are always between these futures, according to particular circumstances. Citizens who can gain influence over their governments or corporations form the axis of the future. ⊕



as training, part-time work, etc.?

We have now reached the point, in some places, where we ask, why have separate currencies if they have to retain a similar value to each other, if (de facto if not de jure) we have only a limited ability to alter their value? The most obvious reason is that it allows our governments, when they wish to avoid certain pressures, to print money to get out of a tight corner, even if, invariably, use of that privilege will have to be redressed later. Against that, the fluctuations cause problems for those making investment and trading decisions who are hurt (or helped, of course) by the currency swings.

**Europe**

And Europe. Citizens face the big question in 1998 of switching from their national currencies to the Euro. A final decision will take place in 2002 when the Euro will have run alongside the national currencies. The privilege of issuing your own money is a great privilege which governments can be expected to give up only reluctantly. In this case, governments are pooling their privilege to issue the Euro currency. We will have to debate at a European level how we distribute resources, how we spend taxes, etc. We are moving towards a future when we will find that, yes, French savings will be used to pay for German pensions or Spanish redevelopment or Latvian welfare, and vice versa. Europe is moving towards greater political union and cooperation. It is driven by the desire to reduce tensions between nations. But we will find that tensions within nations may rise. Twice in the past, attempts at monetary unions (the Latin Monetary Union of France, Belgium, Switzerland, Italy, and Greece, and the Scandinavian attempt at a common "crown") failed after a few decades.

Whether some countries say yes or no is partly a matter of "luck." The Danes are staying out of the single currency while the French will be in, with only two percent difference in their respective referenda on the subject. The citizen cannot hope to be able to know or judge whether a single currency is a good idea or not. What the citizen and democracy will have to accept is an increasing willingness to cooperate at international levels as well as devolve many more powers to local levels. The world of globalisation is in fact a world of centralisation and decentralisation. But that is another story. ⊕

Richard O'Brien's thoughtful prose, with its understated British humor, led us to seek this "insider" piece on financial integration. As chief economist of American Express Bank, Ltd. he was responsible

for all of its worldwide economics research. After twenty-one years at American Express, he joined Global Business Network, Europe, where he is a principal. —PW

The military has long printed its own money for its own purposes. *Invasion notes* for use by troops; *occupation notes* for use by all the "liberated" citizens; or *propaganda notes* issued to demoralize the enemy. In 1991, in Operation Desert Storm,

US aircraft dropped these 25-dinar notes that imitated the real stuff. The reverse was a "Safe Conduct Pass" which reads, in part: "You do not have to die. You can be safe and return to your family and loved ones if you cease resistance."

If we decide to use the same currency as some other community (i.e. nation) we are deciding to abandon the privilege of printing the stuff as an option from time to time. That means that we have also decided to combine our national monetary printing privileges with those of the other nation. That will mean that we have to be prepared to consider more closely the spending and taxing activities of the governments combined. For some this is recognising reality, for others it means combining power where we may have doubts how combined we want to be. You might say it is a bit like a married couple deciding to have joint financial affairs or not: the decision depends on an overall understanding of trust and a sense of whether the activities will be treated as one, or whether a degree of independence is still desired.

## Global Financial Integration

### The End of Geography

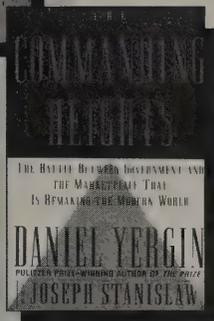
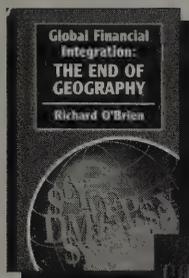
Richard O'Brien. 1992; 120 pp. \$15.95 (\$20.95 postpaid). Cassell Academic, 800/561-7704 in North America, 44 (0) 171-420-5555 elsewhere.

There is a grand sweep here—the physical location of financial players becomes much less important as information technology enables global money flows and economic transactions.

O'Brien carefully describes the process allowing this one-financial-world scenario to unfold, including regulatory changes, global banking, global production and sales, European integration, etc. It was published in 1992, meaning written in 1991; we can now look back over the past five+ years to assess this bullish scenario. First Japan, then some of the Asian tigers, have not sustained their economic vectors. Some European countries seem doomed to lagging growth. Regional and local conflicts have escalated. Unemployment remains high in many countries. Environmental issues divide many developing from many developed countries. But the momentum for global financial integration continues; the devil is in the details of timing. This is still the best book I know to assess what needs to happen for financial integration to proceed apace, even if things are turning a bit gnarlier than the view at the beginning of the 1990s. —Steve Barnett

“The role of money is defined by custom and ultimately in law. Regulatory regimes cover specific areas of jurisdiction, often coincident with specific geographical areas. Without regulations and accepted regulatory structure, money can hardly perform its tasks. When the rule of law collapses, money in its customary form also collapses and may even become worthless.

“The matrix concludes that (1) protecting the consumer is of top priority and will be very difficult as markets integrate; (2) altering the links between finance and commerce, increasingly forced upon regulators as markets integrate, will be very tough to achieve, since such links lie at the heart of each economy's structure; and (3) coordinating regulation and supervision of financial services, worldwide, is a Sisyphean task.



## The Commanding Heights

### The Battle Between Government and the Marketplace That Is Remaking the Modern World

Daniel Yergin and Joseph Stanislaw. 1998; 457 pp. \$26. Simon & Schuster.

The 450-page version of Richard O'Brien's article. History at its best: revealing more than preaching, giving a story to our times. The big players are all here—corporate, national government, and international regulatory—with names and dates of individuals attached. Consumer/citizens,

“Five tests...are likely to be decisive in shaping people's thinking and judgments about the market...[Is it] Delivering the Goods?... Ensuring Fairness?... Upholding National Identity?... Securing the Environment?... Coping with Demographics?

“The market also requires something else: legitimacy.... A system that

their livelihoods and lives, remain somewhat statistical compared to the power brokers, but their welfare returns and returns as a major force of destiny. Looming here, unspoken, is America's trade deficit, not now, but when and if the Euro becomes a solid alternate currency, a haven for those who feel so umbilically attached to and manipulated by the global predominance of the dollar. **The Commanding Heights** dignifies our time. No scapegoats, just resilient and quixotic humans testing their ideals, models, ideologies, and muddled practices in a partially known world. —PW

takes the pursuit of self-interest and profit as its guiding light does not necessarily satisfy the yearning in the human soul for belief and some higher meaning beyond materialism. In the Spanish Civil War in the late 1930s, Republican soldiers are said to have died with the word *Stalin* on their lips. Their idealized version of Soviet communism, however misguided, provided justification for their ultimate sacrifice. Few people would die with the words *free markets* on their lips.

## Computer Money

*(A Systematic Overview of Electronic Payment Systems).* Andreas Furche and Graham Wrightson. 1996; 108 pp. \$29.95. Morgan Kaufman, 340 Pine Street, 6th Floor, San Francisco, CA 94104; 800/745-7323, 415/392-2665, fax 415/982-2665.

Basically a mini-textbook on electronic payment and transfer alternatives. Only a tad out of date (inevitably), this is a clear, factual, calm summary of the 1996 state of play. Not written to excite, **Computer Money** will get you up to speed quickly and provides a handy reference to the myriad of early adopter options now in various stages of trial run. —SB

## The Economics of Money, Banking and Financial Markets

Frederick S. Mishkin. 1997; 880 pp. \$76.11. Addison-Wesley.

This outstanding textbook is required reading for those interested in a sustainable world. Sustainability and Natural Capital folks have not yet integrated monetary and fiscal policy with economics and commerce. Before you try to tame or change today's short-sighted profiteering, study Mishkin's clear prose, great examples, and inside stories of scary topics (money

growth, central banks, loan loss reserves, bank panics). Then, you more skillful warriors of equity and environment, change the system. —PW

## Finance and Development

Free, \$20/yr airmail (quarterly). International Monetary Fund, 700 19th Street NW, Washington, DC 20431; 202/623-8300, fax 202/623-4738, publications@imf.org, www.worldbank.org/fandd/.

The publication of the International Monetary Fund and the International Bank for Reconstruction and Development. In short, the World Bank. Great topics with, at times, whimsical theoretical conclusions. “Why macroeconomists and environmentalists need each other”; “Can Eastern Europe's old-age crisis be fixed?”; “Saving and real interest rates in developing countries”...just a taste of **F&D's** focus. —PW

## IFG News

Quarterly. Free with \$25 basic membership in International Forum on Globalization, 1555 Pacific Avenue., San Francisco, CA 94109, 415/771-3394, fax 415/771-1121, ifg@igc.apc.org.

Unenthralled by all the globalization hoopla, **IFG** is

the strongest voice questioning the fast track to techno-corporate planetary management. Great source for *au contraire* news with essays (some based on their grassroots forums) dedicated to slower-is-better and the devolution of financial and political power. —PW

## Technology and the Electronic Economy

Special issue (February, 1997) of IEEE Spectrum. 98 pp. Out of stock.

This is a special issue of the house magazine of the Institute of Electrical and Electronic Engineers and contains brief articles made very clear through inventive use of flow diagrams, including pieces on creating electronic cash, moving e-cash on the Internet and through new banking technologies, problems of fraud and security, the economics of e-cash, and investing online. —SB



# Local Currency

# IN EACH OTHER WE TRUST



RUSSELL FARRELL

## Paul Glover & Monica Hargraves of Ithaca HOURS

*A community that issues and uses money accepts it as a unit of account and store of value. It also accepts some person, institution, or group (private or public) as trustworthy enough to provide assurance of money's reliability and value. Be it individuals or groups, money holds a sense of self as nurtured by possession.*

**I**THACA HOURS IS THE OLDEST OF the recent local currencies. There are several thousand participants, including 350 retailers, a credit union, and a hospital. Face-value transactions average about \$65,000 per month or about \$750,000 per year. That's several million dollars recirculated in the Ithaca economy, considering that HOURS are often used as part of a purchase price. Fifty-two other local currencies have modeled themselves on HOURS.

Local currencies bespeak bioregional ideals. Paul Glover, the originator of Ithaca's local HOURS scrip, speaks the vision: "I'd like to see most necessities produced within this

region, transacted with local currency, and to see genuine democracy expand worldwide with a responsible grassroots control of the money supply. Such a community rises from nature's regional capacities and constraints, and is devoted to encouraging creativity and sovereignty of the general population. I believe the main role of the market is to bring people together in an actual place where they learn about one another as resources, rather than mere competitors for scarce dollars. At our farmers' market we become friends, lovers, political allies, and business associates.

"We work with the innate desire

of humans to meet and trust one another. Some people seem to believe that Jesus Christ used dollars, that dollars are some type of American flag, and that God wants His name on our money. We've reached out to these people in terms they can understand. For example, all the basics are purchased with HOURS. Food is our largest category. Clothes, rent, plumbing, carpentry, electric, child care, health care, car and bike repair. Some people regard HOURS as their discretionary recreational money, others (especially single mothers) rely on HOURS for necessities. HOURS have become a powerful unifying cultural tool.

"HOURS are taxable income when used for trades of a taxable nature. They can be used to cover the sales tax on purchased items. Each individual and business is responsible for reporting their sales or wages.

Multicolored HOURS—some printed on locally made watermarked cattail (marsh reed) paper, some with locally invented thermal-sensitive ink that vanishes briefly when touched or photocopied, all with serial numbers—are harder to counterfeit than US dollars.





rate with dollars would have to be adjusted, but that is a bookkeeping matter, not a matter of value. The labor-based underpinning to time in a local currency system will help anchor the currency.

Trust depends on careful issuance so that the value of the local currency doesn't erode and so people can depend on being able to spend what they receive. Trust is essential for a local currency to work, but once established and reliably maintained, the local currency can be an integral part of many activities and exchanges within a community.

WE: Are there any lessons learned from local currencies that haven't made it, or from other local financial markets?

PG: The quickest way to kill a currency is to issue it in huge quantities. One system issued \$500 of HOURS to each new participant, intending to displace federal money overnight. They flooded the streets with HOURS, and the community choked on them. HOURS must be issued gradually and carefully, and there must be follow-up with prominent participants to ensure that they're satisfied spending the HOURS they get.

MH: If one is interested purely in maximizing returns, regardless of the geographical source or the nature of the activity, then reaching beyond the local community may be attractive. Insurance-related financial activities, for example, benefit from diversifying their risks, so there can be some incentive for reaching beyond a narrowly defined community. But even that does not preclude some locally based and focused insurance activity. Increasingly people recognize the value of their community as the

source of local stability and health. Our neighbors are talented, and forsaking high returns in distant investments can have many benefits that go beyond financial yields.

### FAIR PAY AND RESPECT

PG: We have been taught to think that teachers should be paid less than bankers, that psychiatrists should be paid more than shoe store clerks, that muscle work is valued less than mental work, that male work is valued more than female work, that black labor is valued less than white labor, that office labor is valued more than home labor. But we all need each other to make Ithaca function.

Everyone's honest hour of labor has the same dignity.

Most hours of labor are worth one Ithaca HOUR. But some people have rare skills and might want one and a half, two, three, four, or five HOURS for their hour of work. Eventually the Ithaca HOUR list could bring so many skills into the local market that rare skills become less rare, and more affordable. Even so, a dentist must collect several HOURS each work hour because the dentist and receptionist and assistant are working together, using equipment and materials which they must pay for with dollars. And someone might want more than an HOUR for one hour of tough ditch-digging. Ask for what you think you deserve, then give good service.

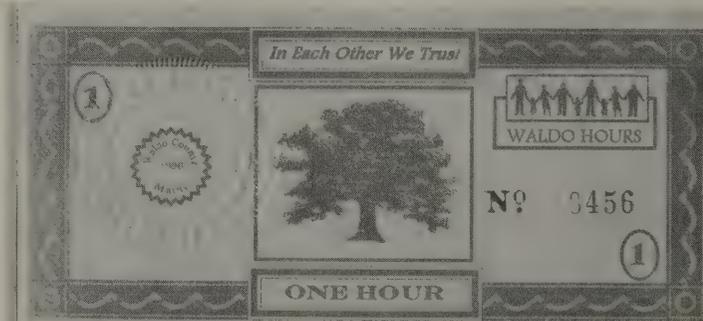
America is discovering that poor

people don't fall through the cracks and disappear. This nation cannot control the frustration of people who are unable honorably to feed their families. The HOUR is fair pay that repairs society.

WE: How do you insure social and ecological goals by only allowing businesses with these goals to accept HOURS?

PG: We have no written standards yet, but as the "retail relations" person, I do not take initiative to approach stores that sell cigarettes, liquor, imported rugs, or certain pet foods made from pets, rats, and massacre. No one has been rejected. Our food co-op has just enacted a ban on Chinese goods, and we'll encourage this example among other stores. I read *Boycott Quarterly* and mention current issues to retailers. One aim of the HOUR system is to show all businesses that these goals are good business.

There is a range of such standards which participating businesses achieve to varied degrees: local ownership, worker management, minimal hierarchy, apprentice opportunities, diverse hiring, fair treatment of workers, fair pay and benefits, sliding scale prices, sales of goods made locally of local renewable, repairable, and recyclable materials, energy efficiency, local invention and design, handcrafted, minimal packaging, generosity to community organizations, and so on. Some of Ithaca's 350 participating businesses are highly motivated to



promote many of these aims, others do some of them, but nearly all are sympathetic to the ideas. The *HOUR Town* newspaper, featuring these themes in each issue, helps sort sympathizers from opponents.

### DOWN THE ROAD

PG: We don't intend to replace dollars in the short run, but would like to carry a significant proportion of regional trade. Today we are content to add to the local money supply. Dollars spent at chain stores go directly out of town. Dollars spent at local stores bounce around a few times before leaving town. HOURS have an infinite multiplier, remaining here forever for our use, expanding the local money supply, thus expanding our capacity to trade with one another. In addition, HOURS double the local minimum wage to ten dollars, benefiting not only workers but businesses as well when businesses find new and loyal customers who pay in local currency. HOURS enable shoppers to afford premium prices for high-priced locally crafted goods and for organic food. We believe, though it is hard to prove, that HOURS reduce dependence on imports and transport fuels.

MH: The specific contribution of the currency component (separate from the contribution of the information exchange or "local yellow pages" aspect) is that it commits the recipients to spend their earnings locally, thereby providing income and "buying power" for other members of the community. In standard economics terms, both supply and demand are raised, people are doing things they care to do, and everyone is better off. The benefits to those with unused or underused skills is obvious, but even

## Local Currency Currents

### Ithaca HOURS

PO BOX 6578, Ithaca, NY 14851; 607/272-4330, hours@lightlink.com, www.lightlink.com/hours/ithacahours.

The Hometown Money Starter Kit (\$25 plus \$15 for their video) explains startup and maintenance of an HOURS system, and includes forms, laws, articles, procedures, samples of Ithaca's HOURS, and *HOUR Town*.

### New Money for Healthy Communities

Thomas H. Greco Jr. 1994, \$18.95. PO Box 44263, Tucson, AZ 85733; 520/577-2187.

Comprehensive, scholarly, set in a broad Gaian context—it's the basic resource on community-issued money. —Stephanie Mills

### Rethinking Our Centralized Monetary System The Case for a System of Local Currencies

Lewis D. Solomon. 1996; 184 pp. \$55. Praeger Publishers, 88 Post Road West, Westport, CT 06881; 800/225-5800, www.greenwood.com.

Outlines the history and present legal framework that allow the possibility for successful local currencies.

### Local Currency News

Paul Glover and Susan Witt, Eds. \$25/year (4 issues) from E.F. Schumacher Society, 140 Jug End Road, Great Barrington, MA 01230; 413/528-1737, efsociety@aol.com, www.schumachersociety.org.

Covers the progress of the local currency movement in general, as well as addressing specific local currency topics. It also provides a forum for sharing practical organizational details for those interested in starting new currencies, and those evolving established currencies. The Schumacher website has terrific directories and links to other community economics sites.

### Time Dollar Institute

Edgar S. Cahn, President. PO Box 42160, Washington, DC 20015; 202/686-5200, yeswecan@aol.com, www.timedollar.org.

Time Dollars are social currency. They are a barter system that provides and produces public service as opposed to emphasizing private consumer goods. The emphasis is on Co-Production, a strategy that redefines societal roles and relationships: "any person willing to contribute by helping another will be able to earn the purchasing power and status needed to enjoy a decent standard of living..." With specific, controlled, and well-documented programs in areas such as tutoring, peer courts, housing, college tuition, food banks, and even welfare reform in Maine, the **Time Dollar Institute** may be revolutionizing how civic and community services are valued.

Time Dollars work by trading time for credit. No paper scrip is used. One hour of your volunteer work is logged into the system to be traded for someone else's hour of community work down the line. New software manages Time

Dollars, as well as most other types of barter and exchange systems. It is available (and free) from the **Time Dollar Institute's** website. For a "good hard look" at how the system does and does not work, get the proceedings from last spring's Time Dollar Congress (from Maine Time Dollar Network, 207/773-6164). —ET

### LETSystems

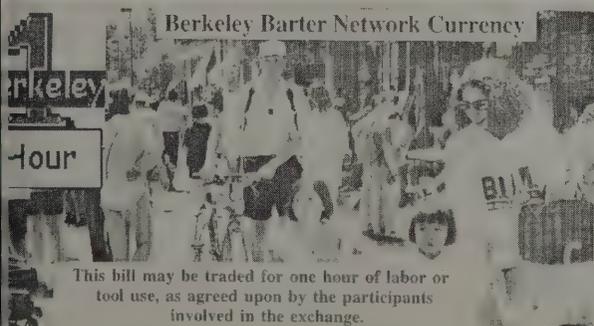
Landsman Community Services Ltd., 1600 Embelton Crescent, Courtenay, BC Canada V9N 6N8; 250/338-0213, lcs@mars.ark.com, www.gmlets.u-net.com.

Most **Local Employment Trading Systems (LETS)** operate in the same way and require the same components: a messaging system, a computer, and most importantly, people. A catalog of LETS members lists the goods and services needed and offered. Each is given a currency value set by the individual members who then trade "Green dollars" from their accounts. No bills are actually printed—they are a form of virtual money trading on the skills and products of members of the community. Unlike in a federal dollar system, where carrying a debt could lead to bankruptcy, going into debt in a **LETS** (called a "commitment") is encouraged to get trading started.

Selling flowers might never pay your mortgage, but in a **LETS** you can exchange them for almost any product or service offered by your neighbors. —Sharon G. Boddy

those who are fully employed in the dollar economy benefit by being part of a community with diverse skills and extensive human resources, and with greater local economic strength. These

are in addition, of course, to the immeasurable non-financial benefits of being part of a community with a sense of spirit, identity, and connection. ⊕



One Hour      Kansas City, Missouri      One Hour

### 1 Buck the System: Use Kansas City Barter Bucks 1

Kansas City barter bucks stimulate local business by recycling our wealth locally, and helping our new job creation. Kansas City Barter Bucks are backed by real capital: our skills, our muscles, our tools, practices, and talents. This note entitles the bearer to receive one hour labor or its negotiated value in goods or services. Please accept it, then spend it.

PEOPLE'S TIME IS MONEY

One Hour      Kansas City, Missouri      One Hour

# GIVING



OTIS A. AULTMAN; COURTESY EL PASO PUBLIC LIBRARY ASSOCIATION.

Santa Claus at Fort Bliss, El Paso, Texas, 1916.

**W**e cherish those who possess the gift for giving gifts, feeling they have deeply understood.

The right gift at the right time, given in the right way, can soften hearts, open opportunities hidden deep, rekindle lost hope and confidence, radiate. This is not new news. In the twelfth century, Maimonides set out a detailed guide for Jewish charity (see box). Even earlier, the Greeks defined philanthropy as loving humanity (not giving gifts), and pointed to the dolphin as the original philanthropist; giving of itself freely and mysteriously, helping drowning children or sailors return to shore.

Education on giving is rare. The entanglement of altruism and needs,

who deserves and how to best give it, is not part of our secular curriculum. Many foundation officers told me how frustrating it was talking to the young millionaires of Silicon Valley. These millionaires were not greedy or overly self-centered. They had simply never thought of helping others. They had few or no role models. Only Santa Claus consistently garners great PR. The teachings of modern giving can be subtle. How to choose among anonymous gifts, loans, partnerships, endowments, or donations of goods and expertise? Ironically, those communities with lower incomes are more experienced. Early on, they get in touch with daily rounds of give-and-take. They give proportionately more both in volunteer time and charity. Foundations, corpora-

tions, religious congregations, individual citizens, even legislators allocating taxes grapple with philanthropy. They try to break habits, rediscover their desire for generosity, express it gracefully. Sitting at their tables, I kept thinking back to Arizona, hearing wranglers at corral posts, talking techniques and styles about breaking ornery horses.

Here's the story that touched America. In 1995, Oseola McCarty, an 87-year-old black woman from Hattiesburg, Mississippi, donated more than \$150,000 to finance scholarships for African-American students at the University of Southern Mississippi in her home town. She had worked most of her life as a laundry worker. Rick Bragg reported in the *New York Times*: "She had quit school in the sixth grade

## EIGHT DEGREES IN THE GIVING OF CHARITY

from *The Teachings of Maimonides*

The highest degree: Take hold of a Jew who has been crushed and give him a gift or a loan, or enter into partnership with him, or find work for him, and thus put him on his feet that he will not be dependent on his fellow-men.

Lower in degree to this is the one who gives charity, *zedakba*, to the poor, but does not know to whom he gives it, nor does the poor man know from whom he received it.

Lower in degree: The giver knows to whom he gives, but the poor does not know from whom he receives.

Lower in degree: When the poor knows from whom he receives, but the giver does not know to whom he gives.

Lower in degree: When one gives even before he is asked.

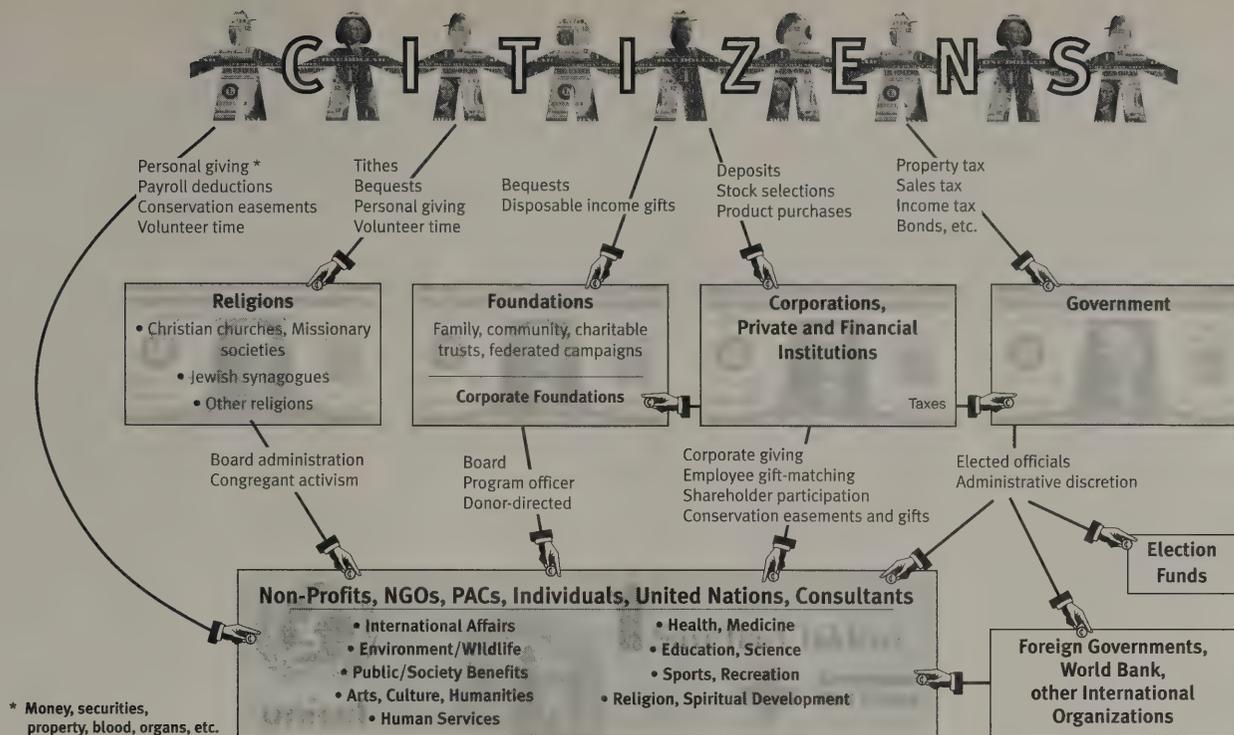
Lower in degree: When one gives even after he has been asked.

Lower in degree: When one gives less than he should, but graciously.

Lower in degree: When one gives grudgingly.

*Matnot Aniyim*, 10, trans. Jacob R. Marcus, *The Jew in the Medieval World*. (Suggested by Andrew Grant.)

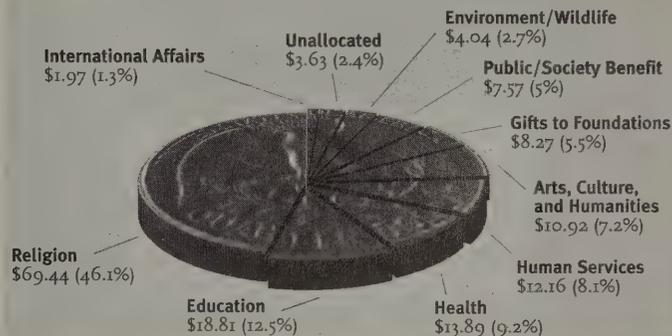
# Giving in the USA



**Sources of Contributions to Nonprofit Organizations**  
1996, Total \$150.70 billion; \$ in billions



**Uses of Contributions to Nonprofit Organizations**  
1996, Total \$150.70 billion; \$ in billions



to go to work, never married, never had children and never learned to drive because there was never any place in particular that she wanted to go. All she ever had was the work, which she saw as a blessing. Too many other black people in rural Mississippi did not have even that. She spent almost nothing, living in her old family home, cutting the toes out of shoes if they did not fit right and binding her ragged Bible with Scotch tape to keep Corinthians from falling out. Over the decades, her pay—mostly dollar bills and change—grew to more than \$150,000.”

Then she gave it all away. The media found her, and her story blazed about. The Director of UNESCO offered

WHOLE EARTH ☉ SPRING 1998

her their highest award for human service. President Clinton invited her to the White House. Why, when others give tens of millions of dollars to philanthropy, when incredibly smart officers of organized philanthropy ponder their grants and elusive social goals, does the gift of this woman who took in other people’s dirty clothes all her life touch with a purity rarely met by organized, corporate, or institutional religious philanthropy?

Whole Earth decided to probe specific giving events where soul and money mesh gears and spin practical wheels within heartfelt wheels. We ask forgiveness for not covering all the organizations and groups who, in the

US alone, give \$151 billion each year. We simply found writers who spoke of: biophilia as extended philanthropy; state-based philanthropy in the Netherlands; the dilemmas of international charity; and the frustration that organized philanthropy has somehow been unable to truly lift the poor, the ill, and the uneducated.

—PW



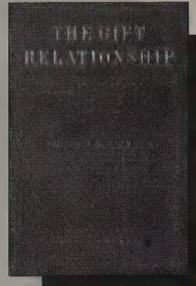
Marcel Mauss's *The Gift: The Form and Reason For Exchange in Archaic Societies* (W.W. Norton, \$9.95) is the classic that all books on this page emerge and prosper from; the intellectual gift from a gifted anthropologist of enduring insight. The more recent books do not address money, but blood, art, and potlatching. —PW

### The Gift Relationship From Human Blood to Social Policy

Richard M. Titmuss. Expanded and updated edition: Ann Oakley and John Ashton, eds. 1997; 388 pp. \$30. The New Press.

The *Gift Relationship* was published in 1970, with almost immediate policy results. It compared blood donating in Britain (voluntary) and the US (some donated, some bought and sold). Its conclusions—that the voluntary system was superior in efficiency, efficacy, quality, and safety—helped preserve the National Blood Service from Thatcherite privatization. The US government consulted with Titmuss, instituted efforts to stimulate voluntary donation, and mandated labeling of blood from paid donors. Titmuss's most profound conclusions concerned the quality of life and community when people are encouraged to give—often, literally, the gift of life—to strangers. When blood becomes a commodity, he argued, its quality is corrupted (American blood was four times more likely to infect recipients with hepatitis than was British blood).

Titmuss died in 1973, before the AIDS epidemic. This new edition discusses AIDS and the evolution of blood-donation technology, reexamines Titmuss's conclusions, and adds a chapter on donating breast milk. It just hints at more intriguing questions now emerging around organ donorship. —MKS

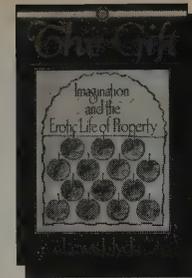


“The ways in which society organizes and structures its social relationships—and particularly health and welfare systems—can encourage or discourage the altruistic in man; such systems can foster integration or alienation; to recall Mauss, they can allow the “theme of gift,” of generosity towards strangers, to spread among and between social groups and generations. This, we further suggest, is an aspect of freedom in the twentieth century which, compared with the emphasis on consumer choice in material acquisitiveness, is insufficiently recognized. It is indeed little understood how modern society, technical, professional, large-organized society, allows few opportunities for ordinary people to articulate giving in morally practical terms outside their network of family and personal relationships.

“Men are not born to give; as newcomers, they face none of the dilemmas of altruism and self-love. How can they and how do they learn to give—and to give to unnamed strangers irrespective of race, religion, or color—not in circumstances of shared misery but in societies continually multiplying new desires and syndicalist private wants concerned with property, status, and power?... If the opportunity to behave altruistically—to exercise a moral choice to give in non-monetary terms to strangers—is an essential human right, then this book is about the definition of freedom.

The “potlatch” by Pacific Northwest tribes dumbfounded Anglo-Europeans. Great gifting celebrations, disposing of vast quantities of goods and sometimes impoverishing the givers, unnerved colonial observers. When potlatches included throwing valuables like copper plates into the sea, administrators became righteous, indignant, and oppressive. More frustrating, the “killing of the potlatch” by colonists was incorporated into native visions: kill it,

so it could be reborn. The photo shows the goods (metal pots, pans, mirrors) for a 1910 potlatch at Alert Bay. It is from the latest interpretation, Christopher Bracken's *The Potlatch Papers* (1997; University of Chicago Press)—a postmodern deconstruction of colonial potlatch commentaries with a large dose of Heidegger, peppered with paragraphs that break old paradigms: the gift breaks the circle of economic exchanges but must originate from it.



### The Gift Imagination and the Erotic Life of Property

Lewis Hyde. 1983; 327 pp. \$15. Vintage Books.

When I'm asked which pieces I remember most vividly from twenty years

of reading this magazine, the excerpts from this book that CQ published in 1982 are near the top. Hyde weaves poetry, anthropology, fairy tales, and economics into a multi-layered evocation of psychological, spiritual, and communal meanings of gift-giving and gift-receiving. His is the best exposition of “gift” as (1) something offered to another person without compensation, and (2) capacity, talent. Both sorts of gifts, he says, must always move. When clutched or treated as commodities, they stagnate, turn rotten, become dangerous beasts. So, too, I suspect, with other “gifts”: making money, or swaying opinion, or motivating masses of people. —MKS

“Capital is wealth taken out of circulation and laid aside to produce more wealth. Cattle devoured at a feast are gift, but cattle set aside to produce calves or milk are capital. All peoples have both and need both. A question arises, however, whenever there's a surplus. If you have more than you need, what do you do with it? What happens to the gravy? Capitalism as an ideology addresses itself to this choice and at every turn applauds the move away from gift and calls that sensible (“a penny saved...”).

To recall our earlier tales, when a goat given from one tribe to another tribe is not treated as a gift, or when any gift is hoarded and counted and kept for the self, then death appears, or a hungry toad, or storm damage.

“In her *Journal of a Solitude*, the poet and novelist May Sarton writes: There is only one real deprivation, I decided this morning, and that is not to be able to give one's gift to those one loves most.... The gift turned inward, unable to be given, becomes a heavy burden, even sometimes a kind of poison. It is as though the flow of life were backed up.”

There is an instructive series of gifts in the *Homeric Hymn to Hermes*. Hermes invents the first musical instrument, the lyre, and gives it to his brother, Apollo, whereupon he is immediately inspired to invent a second musical instrument, the pipes. The implication is that giving the first creation away makes the second one possible. Bestowal creates that empty place into which new energy may flow. The alternative is petrification, writer's block, “the flow of life backed up.”

# Philanthropy Resources

## CIVICUS

[www.civicus.org](http://www.civicus.org)

Best place for checking out the nonprofit sector outside Turtle Island. Find out the number of civil society organizations (CSOs) in Ukraine or Zambia; what's happening in the conflict between Bangladeshi CSOs and fundamentalist Islamic leaders. The embryos of philanthropy all over the globe.

**The Foundation Center**  
79 Fifth Avenue, New York, NY 10003-3076, 212/620-4230, [www.fdcntr.org](http://www.fdcntr.org).

Perhaps the most truly useful organization in philanthropy, the **Foundation Center** operates libraries and online services where people can go in search of scholarships, grants, and the like. New York, San Francisco, and other cities have libraries where much of the literature on philanthropy is gathered in one place. Publications are generally factual and useful. Use of the **Foundation Center** will quickly disabuse the neophyte of the view that getting grants is anything other than a great deal of hard work.

to clean up its act. Read the op-ed columns, the letters, the column on new appointments at foundations and nonprofits, and anything on the tax status of nonprofits or foundations to get the meat of it.



**Giving USA**  
AAFRC Trust for Philanthropy.  
1997 (1998 edition available in August); 220 pp. \$49.95 (\$110 with four-issue Giving USA Update). Dept. 1, 20 Academy Street, Norwalk, CT 06852-7100, 888/544-8464, fax 203/854-9365, <http://www.aafrc.org> /ORDE.HTM.

(See also: National Center for Charitable Statistics, <http://nccs.urban.org/nccs.htm>.)

The American Association of Fund-Raising Counsel's Trust for Philanthropy produces the most complete source

on statistical information on where philanthropic money comes from, where it goes, how it's used, and how all that changes over time. We've used their charts, graphs and data heavily in thinking about this issue.

**American Philanthropy Review**  
[www.philanthropy-review.com](http://www.philanthropy-review.com).

Online source for information (and extensive book reviews) on all aspects of the nonprofit world, with a heavy tilt toward fund development. Their prime attraction is a growing list of Internet discussion groups where philanthropy professionals (and beginners) exchange ideas on everything from fundraising strategies to ethical dilemmas. To subscribe to TALK, their umbrella discussion group, send a message to Listserv@Philanthropy-Review.com. In the body of the message, type in lower case letters: subscribe talk YOUR NAME.

**Foundation Giving Watch**  
The Taft Group. \$149/yr (12 issues). 835 Penobscot Building, Detroit, MI 48226-4094, 800/877-TAFT.

Publishes profiles and analyses of private foundations, with special features on program areas (in one issue, funders that support public policy issues, in another, supporters of programs in nutrition or services for the elderly).



**The Council on Foundations**  
1828 L Street, NW, Washington, DC 20036, 202/466-6512, [www.cof.org](http://www.cof.org).

**Philanthropy Roundtable**  
1150 17th St. NW, Suite 503, Washington, DC 20036, 202/822-8333. [www.philanthropyroundtable.org](http://www.philanthropyroundtable.org).

The **Council** is big, boring, and influential. It serves best as a place where people brand new to philanthropy get started, and a place where some of the major players convene on subjects of mutual interest. Its big debate is whether to be just a trade organization representing the tax interests of its membership or to promote broadly progressive values. See their book, *Measuring the Value of Corporate Citizenship* (\$40 from address above). The **Council** got too progressive for some conservative grantmakers, who started

the **Philanthropy Roundtable** (and its journal, *Philanthropy*), which is far more interesting and dynamic, whatever you think of its politics.



**National Committee for Responsive Philanthropy**  
\$25 annual membership includes subscription to *Responsive Philanthropy*. 2001 S Street, NW, Suite 620, Washington, DC 20009, 202/387-9177, [NCRP@aol.com](mailto:NCRP@aol.com), [www.primenet.com/~ncrp/](http://www.primenet.com/~ncrp/).

Progressive counterpart of the **Philanthropy Roundtable**. Very aware that conservative foundations are out-organizing, out-funding, and out-influencing progressive foundations.

Carnegie Library, built in 1904 in El Paso, then demolished for urban renewal in 1968.



**The Chronicle of Philanthropy**  
Corbin Gwaltney, editor in chief. \$67.50/year (24 issues). 1255 23rd Street NW, Washington, DC 20037, 202/466-1200 (subscriptions PO Box 1989, Marion, OH, 43305, 800/728-2819), [www.philanthropy.com](http://www.philanthropy.com).

The trade paper in the field. Some honest debate, some honest reporting on scandals, but mostly celebrates philanthropy and tries



OTIS A. AULTMAN; COURTESY EL PASO PUBLIC LIBRARY ASSOCIATION.

**Soros on Soros**  
**Staying Ahead of the Curve**

George Soros. 1995; 326 pp. \$19.95. John Wiley & Sons. 1995; 4 cassettes, \$22. Bantam Doubleday Dell Audio.



If you hold a harsh stereotype about rich philanthropists, **Soros on Soros** will transform the cartoon into a rich novel. Haunted by the Holocaust and East European oppressions, immensely thoughtful about how human expectations constrain or free

mindful actions in a world of flux, Soros has wielded two financial tools. He has forced some wrongly valued currencies to shape up by playing the global currency markets, and taken those earnings to fund institutions that would strengthen open societies. Fine cassette tapes for a long drive or an evening of pondering his theory of reflexivity, personal saga, the Quantum Fund, the fall of the Mexican peso, or humanistic skepticism. —PW

Right: Laurance Rockefeller's Jackson Lake Lodge within Grand Teton National Park.

“ There is a remarkable parallel in the evolution of my attitude toward philanthropy and my attitude toward making money. At first, I didn't want to identify myself with my business career. I felt there was more to me than making money. I kept my private life strictly separate from my business. Then I went through a rough patch in 1962, when I was practically wiped out, and it affected me deeply. I had some psychosomatic symptoms, like vertigo. It made me realize that making money is an essential part of existence. Now I am completing the process by doing away with the artificial separation between my activities as investor and as philanthropist.

Scrooge McDuck sculpture. 6" tall, \$175 from Wall Street Creations, Ltd., 205 E. 1st Ave., Rome, GA 30161; 800/575-9255.

**Three by Waldemar Nielsen**

- Inside American Philanthropy**  
 1996; 304 pp. \$26.95. University of Oklahoma Press.
- The Big Foundations**  
 1973; Columbia University Press; out of print.
- The Golden Donors**  
 1985; E.P. Dutton; out of print.

Widely disliked within the big foundations for his outspokenness and his direct attacks on what he regards as the failings of mainstream philanthropy, Nielsen is one of the best authors to start with in order to understand American philanthropy writ large. See especially the out-of-print **Golden Donors**, if you can find it. —Anonymous

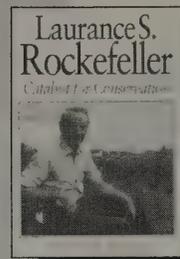
**Laurance S. Rockefeller**  
**Catalyst for Conservation**

Robin W. Winks. 1997; 260 pp. \$25. Island Press.

Now and again a mind arises from the plutocracy that thinks beyond the preservation of wealth, and sees itself as integral to the whole, separated from others by nothing more than their net worth. Such a mind is Laurance S. Rockefeller—venture capitalist, conservationist, and philosopher—quietest but brightest of the four sons of John D. Rockefeller, Jr.

He's been regarded by hard-headed businessmen as "far too Zen" for his own good, and chastized by enviros (myself among them) for building huge resorts in pristine wilderness. LSR's biography is nonetheless vital to anyone eager to fathom the conservationist mind. For conservation was his passion.

Rockefeller also "explored ways to move into a new area of philanthropy, to search for nature within the human spirit, and turn public attention away from 'the potato race of life' by breaking down the barriers between science and religion," writes historian Robin Winks, in this crisply written, though somewhat ingratiating profile of a unique and committed American. —Mark Dowie



“ The Navajo speak of seeing the Beautyway. The elements of one's interior life are subject to persistent disarray; calling upon a beautyway brings oneself in order with the exterior universe, so that the individual reflects the enduring relationships of the landscape. Every official resumé of Laurance Rockefeller dutifully marches through an impressive list of contributions to the environment, from the American Conservation Association to the World

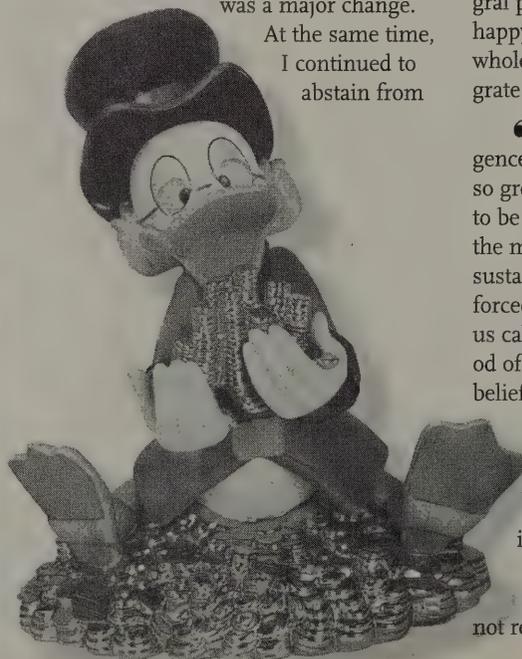
Wildlife Fund. But of all his conservation activities, the ones to which he referred most often in a "pre-retirement" interview late in 1993 were what he hoped he had done as a catalyst for "beauty."



“ In the beginning, I avoided any personal involvement. I sought to remain anonymous and shunned publicity. Later... I accepted the fact that I was deeply involved. After 1989, I actively sought to gain a hearing for my views. That alone was a major change. At the same time, I continued to abstain from

doing business is Eastern Europe. Now, I have given that up too. The reversal from my starting point, when I dissociated myself from my philanthropy, is complete. I accept everything that I do, whether as an investor or as a benefactor, as an integral part of my existence. And I am very happy about it because in a sense my whole life has been one long effort to integrate the various facets of my existence.

“ A point comes when the divergence between belief and reality becomes so great that the participants' bias comes to be recognized as such. We may call this the moment of truth. The trend may be sustained by inertia, but ceases to be reinforced by belief so that it flattens out—let us call this the twilight period or the period of stagnation. Eventually, the loss of belief is bound to cause a reversal in the trend that had become dependent on an ever stronger bias; this trend reversal is the crossover point. The opposite trend engenders a bias in the opposite direction, causing a catastrophic acceleration that qualifies as a crash.... The process does not repeat itself. There is a regime change.



## Philanthropy Guidance

Several organizations provide help to donors wanting to assess their potential beneficiaries. Most have checklists of standards (such as accuracy of reporting, consistency of activities with stated purposes, and percentage of expenses spent on program activities). Most also maintain websites.

**Give...But Give Wisely**  
*Philanthropic Advisory Service of the Council of Better Business Bureaus.* \$12 (four issues). CBBB, Department 023, Washington, DC 20042-0023; 800/575-GIVE, www.bbb.org.

Quarterly newsletter includes short feature articles (such as "Celebrities and Charities") and a checklist for "most-asked-about" national charities.

**Wise Giving Guide**  
*National Charities Information Bureau.* An

annual contribution of \$35 or more entitles members to the quarterly *Guide* and up to three detailed reports on currently evaluated charities; additional reports are available for \$3.50 each.

NCIB, 19 Union Square West, New York, NY 10003; 212/929-6300, www.give.org.

**GuideStar**  
www.guidestar.org.

Offers information on more than 600,000 American charities and nonprofit organizations, along with philanthropy news stories, classified ads, and links to other resources.

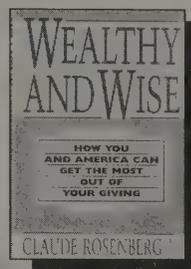
**Women's Philanthropy Institute News**  
*Andrea Kominski, Executive Director.* \$40/year (four issues). 1605 Monroe Street, Suite 105, Madison,

WI 53711-2025; 608/286-0980, www.women-philanthropy.org.

Though they own more than half the investment wealth in the US, women have often not been seen (or seen themselves) as powerful philanthropic forces. This national organization, along with local groups like Resourceful Women in San Francisco (415/561-6520) aims to change that, beginning with helping to educate women about financial mat-



ters and philanthropy and to educate the philanthropic community about encouraging women as major donors and volunteer leaders.



**Wealthy and Wise**  
*(How You and America Can Get the Most Out of Your Giving).* Claude Rosenberg, Jr. 1994; 206 pp. \$24.95. Little, Brown and Co.

Argues that wealthy people can give away more than they think they can without hurting their standard of living or

jeopardizing their future. Includes tables and exercises for calculating ability to give, and suggestions for getting the most impact from donations. Put a copy into the hands of your potential supporters.

**Environmental Grantmakers Association**  
1290 Avenue of the Americas, Suite 3450, New York, NY 10104; 212/373-4260, www.ega.org.

Increasingly big and unwieldy, but still useful for new participants in environmental philanthropy. Size and the decision to allow corporate grantmakers to be members robbed EGA of its earlier usefulness as a place for progressive environmental grantmakers truly to talk strategy. This has led to an inner sense of organizational crisis, and an effort to rethink structure. Insiders regard the health of EGA as critical to the field, and are concerned about it.

## God Bless You, Mr. Rosewater Or Pearls Before Swine

Kurt Vonnegut. 1965; 190 pp. \$6.99 Laurel.

One foundation president rightly calls this the Ur-text of American philanthropy. If you had to read one book on the subject, it should be this one.  
—Anonymous



“What will you say? What will you do?”  
“Oh—I don’t know.” Eliot’s sorrow and exhaustion dropped away for a moment as he became enchanted by the problem. A birdy little smile played over his lips. “Go over to her shack, I guess. Sprinkle some water on the babies, say,

‘Hello, babies, Welcome to Earth. It’s hot in the summer and cold in the winter. It’s round and wet and crowded. At the outside, babies, you’ve got about a hundred years here. There’s only one rule that I know of, babies—  
“God damn it, you’ve got to be kind.”

Florence Nightingale (1820-1910) as depicted on a Bank of England ten-pound note.

## Looking Good and Doing Good Corporate Philanthropy and Corporate Power

Jerome Himmelstein. 1997; 176 pps. \$12.95. University of Indiana Press.

Corporations are becoming major players in American philanthropy, either through direct contributions to nonprofit organizations or to foundations operating under their names. Motivations for corporate charity vary from company to company, and are difficult at times to fathom. Is this sincere philanthropy, expressing “love of humanity,” or is it simply a natural extension of the PR department?

Himmelstein says that patterns of corporate giving reflect patterns of corporate interest, and he shows how in most large companies the process is not only linked to PR, but also to marketing, company morale, and upon occasion to the social interests of the chief executive. Whatever the hidden motive, Himmelstein shows that “how much a corporation gives away and to whom [tends to] reflect the specific strategy interest of [the] company.” —MD

“Companies who sell most of their products to consumers tend to give at a higher rate than those who sell primarily to other businesses, because they have a greater need to maintain a public image. High-tech companies and industrial companies tend to give disproportionately to higher education, because such donations help train and recruit scientific and engineering talent. Consumer product companies, in contrast, tend to favor human services spending, because that has a more visible, direct impact on the consuming public. Companies with regional markets are more likely to concentrate donations in their regions, while nationwide companies have a broader geographic range. Finally, companies in industries that have especially difficult public-image problems (e.g., oil companies) often tend to support especially visible projects in the arts.





# TO KEEP THE LIGHT BURNING

Alex Rundos

PHOTOS: PETER W.  
ETHIOPIA, 1986.

Central governments that once assumed a monopoly for the well-being of their citizens are beating a collective retreat from their social obligations. The decline in social services has contributed to a social and political vacuum that is now being filled spontaneously by community initiatives, on a scale that has yet to be fully appreciated. Where the state and its role are significantly reduced, the entire indigenous structure and dynamics of charity also change.

## THE GLOBAL GIVERS

From the donor perspective, there are three main categories of charitable bureaucracy. First, governments make public finance available for a wide variety of emergency and long-term assistance. The US Government annually makes some \$15 billion available for foreign aid, though over half of this is devoted to a small group of countries deemed strategically important. The majority of this money, often for poverty alleviation, is given direct-

ly to governments in the form of direct finance or technical assistance. The so-called grassroots sector of a society rarely receives US government funds directly: the administrative cost of such an effort is prohibitive.

The United Nations constitutes the next major bloc of donors and is divided into several technical agencies of varying wealth and mandate. UNICEF, the World Food program, and the UN High Commissioner for Refugees are among the best known.

There is, finally, the growing family of voluntary organizations that receive funding from private foundations and individuals, and from taxpayers through government aid. The US gives about three percent of its total philanthropy to international charities, nonprofits, and other aid groups. But the three percent is not a hard number, because it does not include indirect funding through religious groups (e.g., the Mormon Church), human services, and individual gifts. Names like Oxfam, CARE, and Catholic Relief Services have, for many years been synonymous with "relief" work. Each represents a constituency: some are faith-based,

*International Charity's Gnarly Navigations—  
War, Profiteers, Cultural Imperialism, Donor Accountability,  
Triage, and Quixotic Hope*

others have a secular concern for social justice; more recently still, others have come to represent specific concerns such as the environment or women's interests.

### CAN CHARITY PRETEND TO BE IMPARTIAL?

There is no way the politicization of charity can be avoided. Indeed, if charity is at its "purest" in pursuing social justice, then it is by definition political. To the practitioner, as opposed to the political advocate, the question is not whether the politics are good but whether they are clever. Do the ethical compromises permit the work of charity to be carried out?

The militarization of philanthropy, which first occurred in northern Iraq in 1991 and subsequently in Somalia and Bosnia, dramatically illustrates the operational tension between the desire to reach people in desperate need and the political consequences. For the first time, the international community intervened militarily in a sovereign state to protect or guarantee access to people deemed physically at risk because of civil conflict. The subordination of sovereignty of a recognized state to the needs of the suffering is arguably a milestone in legal and practical precedent in the history of international charitable action. Hitherto, charitable organizations had to accommodate themselves to the political whim and constraint imposed by one side or another in a conflict.

When the Ethiopian government decided in 1985 to "resettle"—a euphemistic precursor of ethnic cleansing—up to half a million Tigrayans from the central highlands to malaria-infested territory on the border of Sudan, only one of the many relief agencies spoke out and eventually had to leave the country.

A decade after the Ethiopian crisis, a newer ethical twist is posed by the growing use of sanctions against renegade governments such as in Iraq or Serbia. If the purpose of sanctions is to coerce a regime into some form of compliance with international policies, it is assumed that forces within the country will react politically to make the change. Charitable organizations, and especially religious groups, argue that those who suffer most under sanctions are the ones who are beneath politics. They are the shut-in elderly, infants, and the institutionalized who cannot affect the political system. The evidence tends to suggest that sanctions create a new class of profiteers who are coopted by the local regime against whom the sanctions were initially imposed. With equal cause, others argue that any assistance

will permit the regime to divert its diminishing food and medical resources to [buy off] those who might otherwise take political action.

Iraq, Somalia, Bosnia today, and Ethiopia a decade ago sharpen the paradox that cloaks any act of charity in a conflict. The charity which keeps people alive has also perpetuated the carnage.

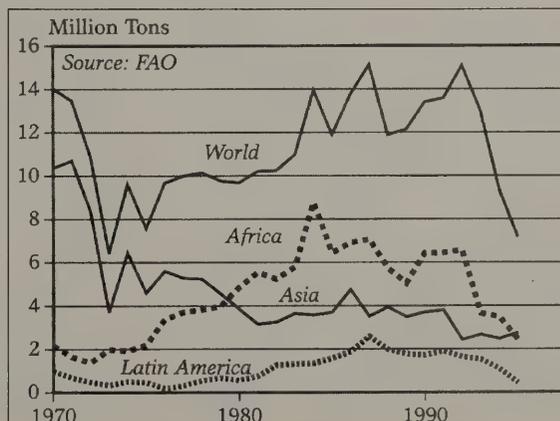
The relief worker is concerned with identifying those indigenous entities who can not only carry food (because they have the access, at least, to their communities) but are also representative of communities which must eventually be party to some form of reconciliation. In the midst of war and suffering one might begin to fashion the beginnings of a climate of reconciliation rather than continued alienation. The best relief operations are in fact those that identify indigenous organizations, or individuals, that command a degree of local respect, to carry out the work of delivering food. They know the terrain, they know the principal actors, and invariably they are the people who will play the critical role in the future reconciliation of a society.

### IS THE PURPOSE OF THE CHARITY TO PROVIDE IMMEDIATE RELIEF, OR IS IT A LONGER-TERM PURSUIT OF JUSTICE, REQUIRING SUPPORT FOR OR PERHAPS MANIPULATION OF INDIGENOUS ENTITIES?

Once it was thought that the provision of food, blankets, medicine, and shelter constituted charity. Then it became the fashion to encourage the development of local self-help initiatives. Now, in the language of international economic assistance, one speaks of "sustainable development" achieved through the creation of financially viable organizations that represent the poor of a given society. Some argue that even this is not enough. To help one community while the surrounding areas or communities are untouched is to create a Potemkin village which, upon the departure of the foreign

To keep a light  
burning we have  
to keep putting  
oil into it.

—Mother Theresa



Since 1992, international food aid has declined, for many reasons: the end of the Sahel drought, end of strategic food assistance with the collapse of the Soviet Union, tightening of donor nations' budgets, and

skepticism about programs. Critics charge that food aid depresses local food prices and squeezes local farmers. Some claim that food aid props up unjust governments. As giving diminishes, need has increased.

donor, will be immediately set upon by the predatory bureaucrats, politicians, or middlemen who still control the particular environment of oppression.

There are now many who promote the idea of developing associations of empowered groups. This classic political strategy is a hallmark of the rise of not-for-profit interest groups in the United States. In many other parts of the world, it is equally a strategy worth pursuing, provided it is understood that the greater the power transferred to some group, the greater the temptation for the authorities, undoubtedly threatened, to coopt its leadership.

There also arises the lingering worry that "empowerment" may actually reinforce certain forms of indigenous social stratification, especially in a household. When a family benefits financially from some income-generating project, who benefits within the family? Many a project will extol its own benefits, citing the rise in income of a

environment has spawned an entirely new category of organization whose sole purpose is to benefit those communities that care for their immediate physical environment so that the mutual benefit of increased wealth and improved environmental conditions become evident.

**IS THE CHARITABLE ACTIVITY SHAPED BY REASONABLY OBJECTIVE ANALYSIS OF THE NEEDS OF PROSPECTIVE RECIPIENTS, OR IS IT MORE STRONGLY INFLUENCED BY WHAT THE DONOR WOULD LIKE TO SEE HAPPEN AS A RESULT OF HIS GIFTS?**

The greatest amount of assistance available for charity is from governments or international organizations like the United Nations. Private organizations, will, with few exceptions, draw on these funds. When issues like women's programs, environment, or population are deemed

politically attractive, the funds flow accordingly. One of the most dramatic examples of this influence is in the debate over population control, when there were massive cuts in federal funds from the United States because successive administrations were opposed to a variety of birth control programs. Today, the rage is "civil society" or "democratization" for societies which have had civility bludgeoned out of them and in which the experience of democracy, in the Western parliamentary tradition, is scant.

Proposals for funding are often written and reviewed mainly for their relevance to the donor

institution. In preparing such proposals, a recipient organization will frequently, and unconsciously, adopt the language and philosophy of the donor institution, skewing the substance of the project in favor of the donor's wishes. Indeed, throughout the Third World today, seminars are conducted at great expense on how to write proposals, often well before those seeking funds have been given the most elementary training in management and planning. At the risk of being a little too cavalier with Franz Fanon, it is another way of asking the Black Face to put on the White Mask. It encourages assimilation of donor ideologies rather than the elaboration of what is in the best interest of the group it is meant to benefit.

A particularly painful debate in the world of international private philanthropy centers on the use of food aid. Huge programs of food assistance were built up during the 1950s and 1960s by private organizations thanks to the massive agricultur-



MONEY—A HISTORY (SEE REVIEW, P. 43).

Bank of West Africa note issued for French West Africa, printed about 1945. The front of the note shows an African mother and child embraced by Marianne, the personification of France.

The note is typical of French colonial issues, combining depictions of the peoples under their rule with allegorical images of the French state as "parental" guardian of its subjects.

family, without tracking whether the nutritional status of the child has improved, for example, or whether the girls in the family are now going to school. In a society in which the adult male gets precedence to the best of the food on the table, followed by the male son, inequity can be easily perpetuated by the best intentioned of projects. This is the fallacy of trickle-down in charity. Equal access to charity in communities is a constant source of uncertainty.

Efforts are now being made to target only the central woman in a household, for example, by giving her access to cash so that she can dispose of income for the benefit of the family and thus strengthen her own position in society. Likewise, the link between poverty and the degradation of

al surpluses in the United States and, later, in Europe. The food was used not only for famines but also for addressing the crisis of structural malnourishment. By the 1970s a growing body of opinion questioned the value of these programs. In benefiting the American farmer, they undermined the recipients' local market system, especially in societies desperately trying to establish a viable domestic agricultural market. Critics also contended that the aid programs had no discernible long-term impact in making the intended beneficiaries more independent socially or economically.

Food, however, is a very visible form of charity and in recipient societies it is an asset to those who appropriate political credit for acquiring the food. It is also a very easy way of making a charitable organization look big. Since food programs are accompanied by substantial financial support that helps to cover the administrative costs of an organization, they become attractive to those organizations that are willing to invest in the infrastructure needed for so heavy a logistical responsibility.

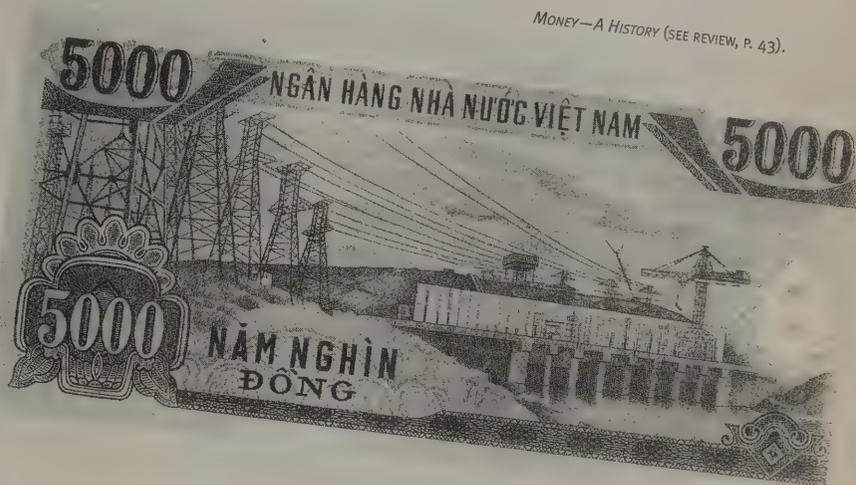
There is the well-known and certainly apocryphal tale of the village chief in Africa who would give a different account of the height of his corn depending on what he thought the particular inquiring agency might be able to offer. This is the perverse end of charity.

#### TO WHAT EXTENT ARE CHARITABLE ACTIVITIES SHAPED BY THE FEAR OF NOT BEING ACCOUNTABLE?

The proliferation of charitable groups has been accompanied by growing pressure from donors for

greater accountability. This presents itself in various forms: guarantees that assistance "will get to the mouths of those who are hungry," that much more stringent audit requirements are employed, that donors designate their donations, that there is a low administrative overhead. With the explosion in the number of charities, there has been a proportionate increase in publicity about excesses and abuses within charities.

Fearful of publicity over a poor project and, certainly, terrified of the appearance of ubiquitous government auditors, there is the danger that many charitable organizations may shrink from the challenge of taking on initia-



MONEY—A HISTORY (SEE REVIEW, P. 43).

tives that are risky. Private charity has always prided itself on reaching those whom others cannot reach, and on taking risks on behalf of the poor. At a personal level, the charitable bureaucrat will question the value of putting his or her job on the line. Agencies may react by creating larger bureaucracies to protect themselves, thus incurring greater costs for administration. Others invest in very sophisticated public relations. The most dangerous consequence, however, is that charities will shrink from the test of standing by a small organization, whose accountability is weak but whose growth is vital to the development of pluralism and the protection of those who suffer.

State Bank of Vietnam note, 1991, illustrating hydroelectric power projects aided by international finance.

#### HOW, IN A WORLD WHERE NEEDS EXCEED THE AVAILABILITY OF ASSISTANCE, IS THE TRIAGE BETWEEN THE BENEFICIARIES OF CHARITY AND THOSE REJECTED TO BE CONDUCTED?

The moral, political, and technical elements involved in the choice of a recipient are, as they should be, the most contentious and personally searing aspects of the profession, because the proper identification of who is most deserving of charity is the very *raison d'être* of the charitable mission.

Large-scale philanthropic initiatives, whether in response to disasters and war or to address long-

#### Development Assistance Contributions, Top 15 countries and total, 1995

Country	As Share of GNP (percent)	Total (million dollars)
Japan	0.28	14,489
France	0.55	8,443
Germany	0.31	7,524
United States	0.10	7,367
Netherlands	0.81	3,226
United Kingdom	0.28	3,157
Canada	0.38	2,067
Sweden	0.77	1,704
Denmark	0.96	1,623
Italy	0.15	1,623
Spain	0.24	1,348
Norway	0.87	1,244
Australia	0.36	1,194
Switzerland	0.34	1,084
Belgium	0.38	1,0334
Total, All Countries	0.27	58,894

Source: Organization for Economic Co-operation and Development, *Development Co-operation, 1996 Report of the Development Assistance Committee* (Paris, 1997). — *VITAL SIGNS, 1997* (MWECC, p. 66).

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term poverty alleviation, depend entirely upon funding, the availability of which is dictated by current ideological or political fashion and the astonishing increase in the role of the media.

By early 1995, it was clear that, in the global triage, the poorest continent, Africa, was going to receive diminishing attention while the former Eastern Bloc was drawing away significant investment and aid funds. To a large extent such policies have been driven by public perception. Foreign aid is deemed politically unpopular in the United States, which

in relative terms gives less than one percent of its annual budget to foreign aid. Yet, opinion polls taken in late 1994 and early 1995 showed that the public believed that up to twenty percent of the budget went to foreign aid. This has shaped the ambience in which politicians can speak of foreign aid being wasteful and of little use to the interests of the United States.

This perception is compounded by the belief that foreign aid has a limited impact, except in disasters where the issue is a very visible battle between life and death. Thus emergency relief programs receive more support from the public at the expense of those programs that have a long-term beneficial impact on society but which lack the visceral immediacy of a disaster. Many organizations succumb to vulgar televised advertising of the indignity of a starving child in which we are somehow assured by some current representative of Hollywood that this agency or that will save this child's life. Viewed from the inside of the profession, one does ask whether we dishonor those whom we are meant to help to preserve our own image of self-appointed and very public Samaritans.

Of greater influence, however, is the role of the media in shaping our understanding of poverty or disaster. For one year, throughout most of 1984, agencies were trying to tell the public and authorities that a catastrophe of monumental proportions was occurring in Ethiopia. The official reaction was

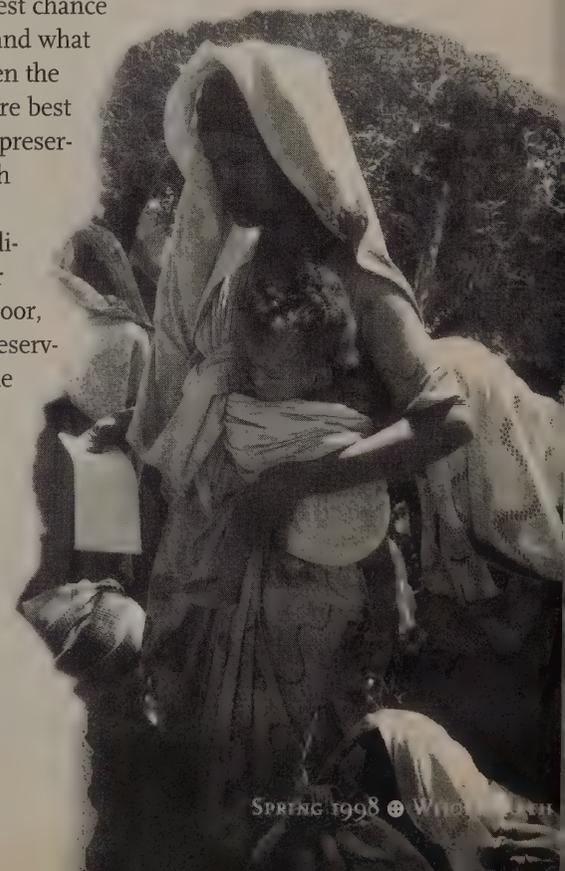
to downplay the crisis as one exaggerated and manufactured by a thoroughly nasty government beholden to its master, the Soviet Union. Then, in one week in November of that year, a single television network devoted five minutes of each evening of its national news to the scenes in Ethiopia. Overnight a neglected disaster had become a Disaster.

A decade later, the agony of Sarajevo is so thoroughly televised that it has become an emblem of a modern form of warfare and humanitarian emergency. Meanwhile, the city of Juba in southern Sudan—with as many inhabitants as Sarajevo—has also been besieged; malnutrition is very high, the city is bombed regularly. Relief agencies have to raise private funds to run an airlift into Juba from neighboring Kenya. The international reaction has been constrained, to say the least. These are the raw human sufferings that international triage is about.

There is a local aspect to triage. Foreign charities are not at liberty to enter another country and start operations without some degree of access granted by the authorities, who, invariably, are the cause of the crisis in the first place. Selection of who will live or die usually begins with the willingness of any local authority to admit that there is a crisis.

Triage appeared recently in Russia during the refugee crisis created by the war in Chechnya. The refugees were both Chechens and Russians. The Federal Ministry responsible for refugees in the Russian Federation maintains copious lists of who is eligible from all ethnic groups; somehow most Russians appeared in the highest category of eligibility.

People call this the “politics” of foreign aid. To many of us who work “in the field,” the politics are a reality that one takes for granted. The crises are caused by human political mismanagement or plain malevolence. Triage is a constant source of tension. Just like the battlefield surgeon, one asks who has the best chance to live or die, and what resources, given the limited flow, are best applied to the preservation of which social limb. It becomes a cyclical debate over who is really poor, who is most deserving, of how one moves from treating the symptom to attacking the cause. ⊕



Alex Rondos, formerly Director of the International Orthodox Christian Charities, is Non-Governmental Organization (NGO) Specialist with the World Bank. This article appeared originally in a slightly different form in *Giving: Western Ideas of Philanthropy*, J.B. Schneewind, ed. (Indiana University Press, 1996).

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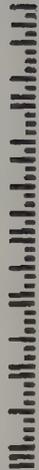
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# BUYING BACK EDEN



## WILDLANDS PHILANTHROPY

**Peter Warshall**

We have turned Eden into realty, and realty into money in its myriad forms. Now, a burgeoning “wildlands philanthropy” wants to buy back tracts of property and restore pieces to Eden—or, at least, to help balance earthly reality with the financial fungibility of landscapes.

The soul of wildlands philanthropy is its Will to Heal ecosystems and its Desire to Gift future generations with a few authentic masterpieces of planetary creation. The first impulse springs from the awareness that uncontaminated waters and untrammelled lands are literally the ingredients of our blood and flesh. The separation of individual natures from biospheric nature is an artificial construction of Mind. To heal the biospheric body is to heal the human body.

The Desire to Gift springs from the complex emotions of generosity. Kindness to the Earth is conceived of as Kindness to the extended self. The Desire to Gift dwells only in a few individuals who, from destiny, birth, or experience, feel both the joy of wildlands and the joy of giving them to an unknowable future. Thanks, Wolf, you sing so well! Here’s Greater Yellowstone, howl forever more.

Wildlands “patronage” is uncomfortable. Cold cash plays footsie with pure and warm desires. In the pervasive market system, every living being has its price. The last Asian tigers already bear their price—the cost to saving them or to buying their pelts. Each California condor has been the beneficiary of three or more million dollars from the

investments contributed by taxpayers and corporate gifts.

Wildlands financing is confused. Biological diversity sports no obvious price signal. Until road runners can pontificate on inheritance taxes, we just have to ruffle our feathers and confess: there are no easily defined financial beneficiaries of wildlands charity, no wise owls to help determine their monetary value. We can speculate. Some of our grandchildren will prefer wildlands to an artificial life on an artificial planet; some will hanker to fly-fish (even catch-and-return); and some will cherish a simple walk in a still, rich forest. Even feeling confident that human beneficiaries will exist, how do you set a price on a lake, land, or estuary? You cannot consult your great-great-grandchildren and discuss the down payment, interest rate, or payback time that will meet their desires.

Ultimately, the financial value of rich and rare landscapes is a deal struck between those who want to harvest and alter the local foodweb, and those who want it to remain intact.

### THE TOOLS OF WILDLANDS PHILANTHROPY

Wildlands philanthropists are not a select group. Nature Conservancy dues, workplace giving, matching gifts, taxes that wend their way into the Federal Land and Water Conservation Fund, corporate donations, percentage offtake from sales (as at MCI, Patagoniam or Second Nature Software),

MONEY—A HISTORY, SEE REVIEW ON P. 43.

**Wildness is a mental  
world that cannot  
conceive of money.**

**Wilderness is a  
landscape increasingly  
conceived as priceless.**

bequests, conservation easements, land trades, and a host of other “wildland protection tools” all reveal a generosity toward the Earth. What is new is the speed at which wildlands disappear and degrade, and the experimental and unusual partnerships currently evolving to conserve the last pieces. Here are three broad approaches:

A. Get the potential holy ground out of the market system.

B. Modify the existing market system to reduce stressing the ecosystem, allowing it to heal.

C. Build a parallel market whose goal is to set aside some landscapes (out of the market) and “reasonably” harvest the remainder.

### OUT OF THE MARKET

Removing habitat from the property speculators insures that the landscape will only be disturbed by externalities—climate change, upstream water diversions, or too many tourists.

**DIRECT PURCHASE** by individuals is the simplest and most direct philanthropic action. In contrast to George Soros’s admirable desire to encourage open societies and relieve human suffering, wildlands philanthropists focus on planetary suffering and encourage “biophilia,” the love of all life. With the long-term intention to prevent degradation and preserve and enhance biodiversity, Ted Turner’s purchase of nine ranches and Doug Tompkins’s purchase of coastal temperate rainforest in Chile are the best known examples of this rare and special entrepreneurship.

The problem of individual philanthropy, wildland or not, is that there are so few philanthropists.

I have heard young tree-huggers at the Headwaters redwood groves wistfully wonder why Silicon Valley millionaires and billionaires don’t share their sense of imminent loss. These financially starved, funky, gutsy, non-violent tree-hugger devotees appear perplexed: Why doesn’t Bill Gates buy the last groves of red-

woods? It would keep his name alive longer than Microsoft.

Their eyes wander over three-thousand-year-old trees and they wish (more like pray) for a philanthropist who cherishes the knowledge-based old-growth forest. The reality is that philanthropy comes from very individual desires. Some, like J. Brainerd in Silicon Valley, do support education and information about

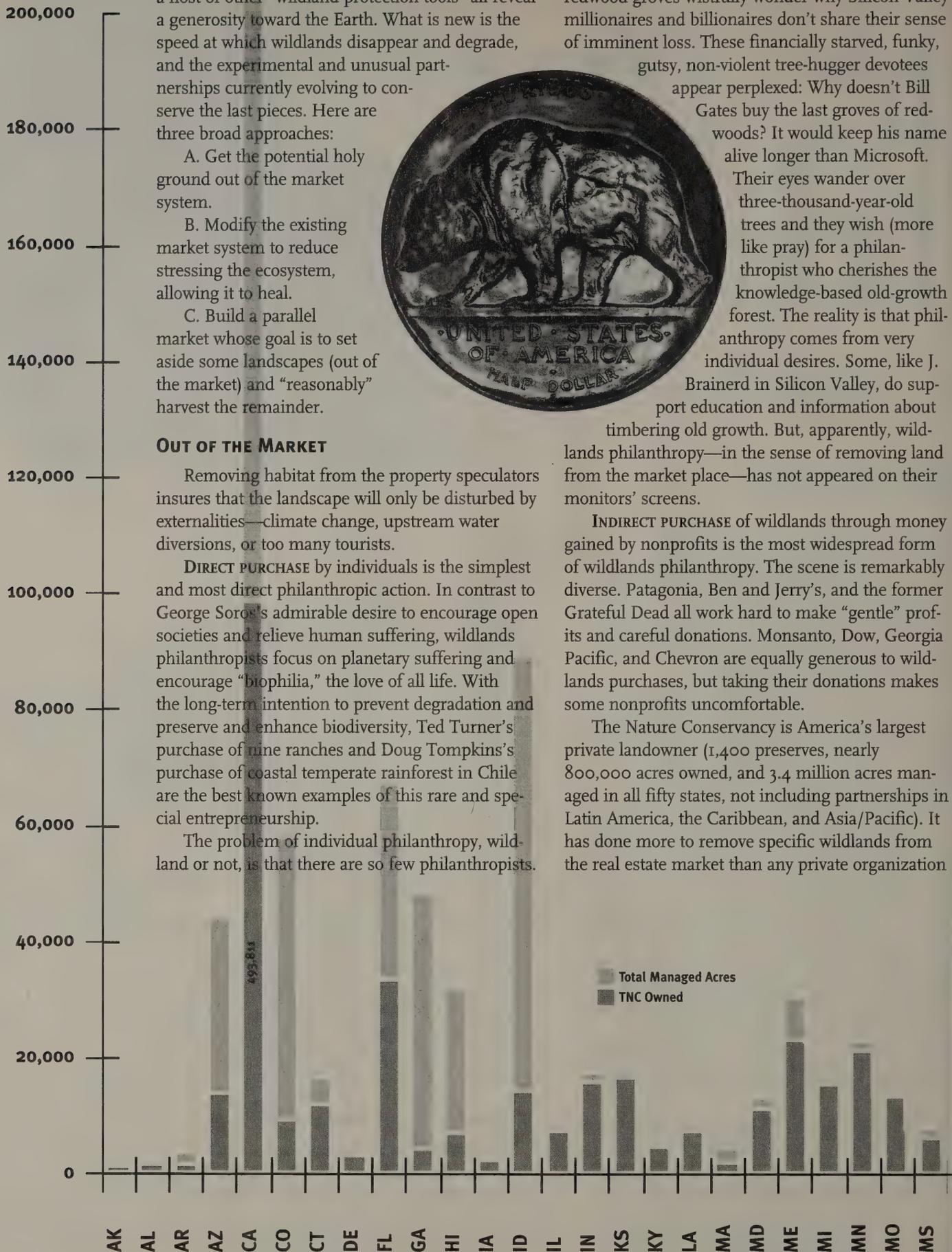
timbering old growth. But, apparently, wildlands philanthropy—in the sense of removing land from the market place—has not appeared on their monitors’ screens.

**INDIRECT PURCHASE** of wildlands through money gained by nonprofits is the most widespread form of wildlands philanthropy. The scene is remarkably diverse. Patagonia, Ben and Jerry’s, and the former Grateful Dead all work hard to make “gentle” profits and careful donations. Monsanto, Dow, Georgia Pacific, and Chevron are equally generous to wildlands purchases, but taking their donations makes some nonprofits uncomfortable.

The Nature Conservancy is America’s largest private landowner (1,400 preserves, nearly 800,000 acres owned, and 3.4 million acres managed in all fifty states, not including partnerships in Latin America, the Caribbean, and Asia/Pacific). It has done more to remove specific wildlands from the real estate market than any private organization



ACRES



on Earth. It accepts small and giant contributions of land, appreciated securities, and bequests, as well as money from any person, foundation, agency, or corporation that cares to give. Like most nonprofits, the Nature Conservancy does not screen its donations. As Mark Twain (I believe) first said: "The only thing wrong with tainted money is there 'taint enuf of it." Groups like the Nature Conservancy turn others' sometimes questionable profits into otherwise good works.

**FORGOING DEVELOPMENT** opportunities has become an increasingly appreciated form of wildlands philanthropy. In a deal brokered by the nonprofit EcoTrust, West Fraser Company (the timber concessionaire) surrendered cutting rights in the most unique act of corporate philanthropy ever witnessed in the great Northwest. The British Columbia Provincial government (the landowner) then returned the 800,000 acres of temperate rainforest and spectacularly rich rivers (six salmon species and a resident inland population of seals) to the Haisla peoples (see WER, No. 85). Similarly, in Arizona and New Mexico, the Malpai Group of eight ranches, covering one million acres, has forgone certain grazing rights and organized a grazing commons in exchange for the donation of conservation easements that will protect wildlife corridors and grassland species from both over-grazing and subdivisions.

**COMMODITY GIFTING AND WILDLANDS BARTER** are other out-of-market philanthropic tool that frequently offer indirect help to wildlands philanthropy. Microsoft, for instance, gave computer equipment to Nature Conservancy. When working in Mali, I would drink a Biere Niger and dream up a postmodern global/local wildlands philanthropy based on the local barter markets. I figured that coal- and petroleum-based heating and cooking fuels slowed down forest cutting throughout the temperate zones of the planet. They provided a

window of time for the rise of the conservation movement. Without coal, and then petro-fuels, tree harvesting would have been even more devastating.

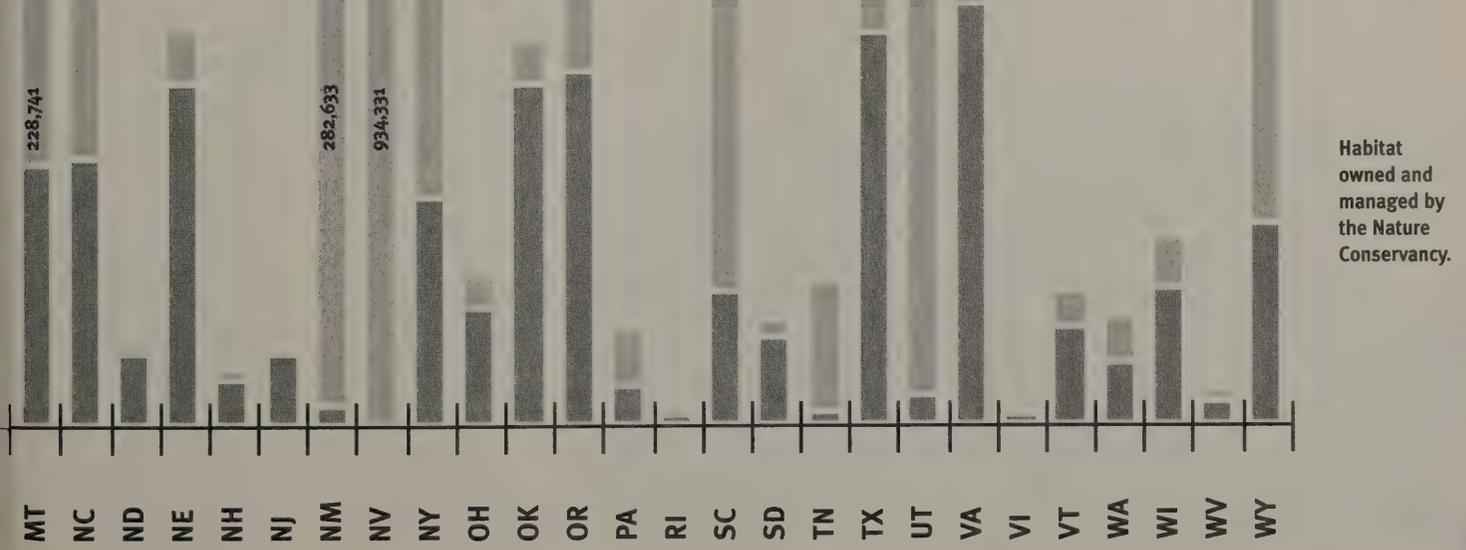
In Mali, despite solar cookers, citizens relentlessly cut the savanna woodlands for heat and cooking. In my twenty-first century Sahel, oil companies bartered petro-calories for wood-based calories. Brokers bartered propane or cooking oil for intact savanna woodlands. Or, the oil companies initiated a modified bartering in which they sold petro-fuels at or just below fuelwood prices. By forgoing maximum profit, their "philanthropic profits" increased environmental and human welfare.

A few more beers and days in the arid dust of La Forêt Morte and I hallucinated petroleum companies bartering petro-based fertilizers for South American rainforest. The cleared laterite soils of Amazonia wear out fast; by supplying fertilizer to increase production and prolong the use of a farm, the barter system would reduce the pressure to clear more forest. (Land clearing and fires take out the most forest.)

Local/global commodity gifting with ecological feedbacks requires beneficent companies, thoughtful intermediaries, and local community enforcement. These philanthropic linkages do not exist.

**DEBT-FOR-NATURE SWAPS** are a form of philanthropy in which a nonprofit organization in the creditor nation pays off a debt from another nation. The nonprofit takes advantage of currency exchange differences and, in turn, "buys" the debt with land set aside in the debtor's nation for ecosystem protection. The most famous examples have occurred in Peru and Ecuador.

**Biological diversity sports no obvious price signal. Until roadrunners can pontificate on inheritance taxes, we just have to ruffle our feathers and confess: there are no easily defined financial beneficiaries of wildlands charity, no wise owls to help determine their monetary value.**





Compared to the funding of other nonprofits, environment/wildlife donations are largely private contributions. Thirty percent of all funds come from private contributions compared to ten percent for all other kinds of nonprofits. Another fifteen percent comes from dues and assessments. In total, at least forty-five percent of all funding relies on individuals as opposed to government programs, religious congregations, and foundations. This is a remarkable effort by individuals.

About two percent of all environment/wildlife organizations have budgets over \$5 million a year. They control forty-nine percent of all public support and government grants.

**STATE-BASED PHILANTHROPY** (basically taxpayers giving to the government and the government giving according to budget votes or administrative edict) is the public sector form of wildlands care. In some states, there is a check-off on tax forms for non-game wildlife programs. But most state-based philanthropy is political and requires citizen rabble-raising. Recent citizen outcries, for instance, have freed up wildland purchases from the Federal Land and Conservation Fund that were trapped by Republicans at the appropriations phase. Frustrations with legislatures have stimulated a mini-boom in referenda that require states to purchase parcels of Eden.

### IN-MARKET PARTNERSHIPS

Wildlands philanthropy can take the form of **GOING BEYOND WHAT IS REQUIRED**. Reducing acid rain

emissions below national or international standards will further heal forests; very selective timber harvesting to prevent genetic erosion of the desired tree species will maintain biodiversity; and preventing the spread of exotics and invasives will keep intact communities from flipping out. The generosity is beyond the call of law.

Wildlands philanthropists have nearly neglected, for instance, the devastating impact of invasives and the funding required to educate the public and to reverse their spread. For example, the Australian pine has damaged loggerhead sea turtle nesting sites. A guided philanthropy could sponsor restoration of the nest sites and removal of the pines. African buffel grass has been pushing the Sonoran desert to become arid grassland. Mission-based philanthropy is needed to curtail exotic grass propagation and to research control measures.

In forestry, exotics and invasives cause a loss of \$2 billion in timber revenues and disrupt woodlands and forests. Invasive bullfrogs and exotic fish are among the gravest threats to endangered natives. Though a few partnerships evolve (see WE, No. 90 and MWEC, p. 77), wildlands philanthropy has yet to organize a wide-ranging approach for restoration, finding pest-resistant ecotypes, and invasive controls using both funds and volunteers to maintain wildland authenticity.

### Natural Assets News for Corporate Partners Free to Corporate Associates donors (semi-annual).

Nature Conservancy International,  
1815 North Lynn Street, Arlington,  
VA 22209, 703/841-4221.

Update on buying back the wild  
by the world's largest purchaser.



“ A joint \$1 million grant from The Dow Chemical Company Foundation... enables the Michigan Chapter to expand its Little Trout Lake Preserve to 881

acres, including four miles of Lake Huron shoreline.

“ Kellogg's Food Services will donate a portion of the proceeds from the sale of selected cereal brands and Eggo waffles at college campuses nationwide to the Conservancy's Adopt An Acre program. Kellogg has guaranteed a minimum of \$30,000 which has helped protect 170,000 acres of rainforest in Belize, Brazil, Costa Rica, Guatemala, Panama, and Paraguay.

“ Introduced through legislation by Sen. Dale Bumpers in 1995 and recently signed into law by President Clinton, the Arkansas-Oklahoma Land Exchange transferred 185,000 acres of natural lands owned by Weyerhaeuser Company in the Ouachita Mountains to the Ouachita National Forest and the Cossatot National Wildlife Refuge. The transfer, valued at \$100 million, is the largest in the history of the United States.... The Conservancy's Arkansas chapter found more than 125 sensitive species.

“ Colorado National Bank donated 300 acres of land adjacent to the Conservancy's Mishak Lakes Preserve in Colorado.... Although the Bank had an offer on the land, Bank Vice President Frank Valentin explains, “I thought it was best to get it directly into the hands of the Conservancy.... I felt better donating it.”

“ Gulf Coast prairies and marshes will benefit from a \$500,000 pledge by the Shell Oil Company Foundation to the “Saving the Best of Texas” capital campaign. Shell's contribution will support the Shell Coastal Conservation Research Program at the Clive Runnells Family Mad Island Marsh Preserve...focusing on waterfowl and neotropical migratory birds, wetlands and coastal prairie restoration, and ricefield enhancement.

“ Trillium Corporation pushed the Washington Chapter past its \$5 million goal...with a \$400,000 pledge. The capital campaign has enabled the chapter to create five new preserves and expand three others as well as conduct biological inventories on some 600,000 acres of US Army and Department of Energy land.

### PARALLEL MARKET INNOVATIONS

Do no harm. Selecting and valuing your economic network is the last way of modifying blind profiteering for habitat protection. Giving business to workers and management that do no harm can be the best good. These parallel markets or “custom designed chains of custody” involve filtering or

screening out bad operators and extractors; mission-based investments; accepting lower returns for benevolent forestry or agriculture, or taking higher risks to support more benevolent acts. Merck and Company, for instance, made a deal with Costa Rica that essentially recognized local property rights to medicinal plants and organized a parallel market that helps maintain wildlands. Shaman's Apprentice and the Healing Forest Conservancy now await four approvals from the Federal Drug Administration. They have woven royalties, conservation, and cultural integrity into another parallel market. Finally, certain Green Certified wood producers are attempting to cut selectively and may be able to maintain most of the forest's biological diversity.

**PILGRIMAGE AND PROPERTY**

Caroming between green megabucks and variegated terra firma, two monetary maxims popped to mind. Wildness is a mental world that cannot conceive of money. Wilderness is a landscape increasingly conceived as priceless.

These thoughts brewed while watching tourists in the Grand Canyon. I saw that it did not matter how you arrived (by personal jet or hitchhiking, walking or driving); whether you were rich or poor; or if you were Japanese, Afghani, or from Alabama. At the Grand Canyon, a certain leveling takes place. The immensity equalizes, and many tourists slip into an allegory of eternal return, with many "wows!" in many languages. Even mundane chatter includes the land and sky. Thanks are voiced, sometimes awkwardly and humorously and sometimes with poetic aplomb.

Every family hopes to visit certain places during their lifetime, and hopes their children's children will make the journey to spots like the Grand Canyon. For moments, the walkers of Bright Angel Trail appear to be pilgrims in geological time, intent on accomplishing certain stops as in India or old Europe. Today's commercial ecotourism is maybe the embryo of a new Turtle Island pilgrimage.

These landscapes infuse the imagination as much as or more than a museum full of rarities or cities with famous buildings and unique musical events. At some moment, Chartres, the Metropolitan, or Yosemite jump to the value "priceless." And, in a sense, at the same moment, owner-

**Common Ground Conservation News from the Conservation Fund**  
 Free (bimonthly). The Conservation Fund, 1800 N. Kent Street, Suite 1120, Arlington, VA 22209. 703/525-6300, www.conservationfund.org.

Among the dozens of newsletters sent to Whole Earth, this is a must read. Scrupulously honest, maniacally focused, it is the Wall Street of open space, greenbelts, wildlands, and habitat preservation. —PW



“ In addition to raising the estate tax exemption, the new law allows up to 40% of the value of land subject to a conservation easement to be exempted from estate taxes if the land is within 25 miles of a metropolitan area, national park or wilderness area, or within 10 miles of an urban national forest. The exclusion is subject to several additional requirements, and is capped at \$100,000 next year but rises in increments to \$500,000 by 2002. Section 508 of the law also allows heirs to place conservation easements on inherited

land after the landowner's death to qualify for the exemption and avoid higher estate taxes.

“ The American Bird Conservancy (ABC), founded two years ago to protect wild birds and their habitats throughout the Americas, is heading where other groups fear to tread. This month, the Virginia-based non-profit is launching a campaign to convince cat lovers that their 66 million pets and tens of millions of stray and feral cats should not roam free. To take on this volatile issue, ABC is building a coalition of animal welfare groups, veterinarians, and others.

ship disappears. The worth-shape (the origin of “worship”) has surpassed any conceivable financial accounting.

Wildlands philanthropy takes the long-term visionary risk: Can removing a specific parcel of realty from the market transform the landscape into a priceless, long-term gift to the critters who dwell therein, including humans? Will buying back a piece of Eden give the pilgrim joy and keep the Kingdom in peace? ⊕



Mark Dowie

# DEMOCRATIC FOUNDATIONS

## THE FUTURE'S BEST WAY TO TRANSFER WEALTH?



JACK FULTON, "ISHI IN THE MODERN WORLD."

grandmother, who sowed leftist seeds in the minds of her three grandchildren while their father was at work, and years later, on the coast of Scotland, introduced this child to Antonio Gramsci, the Italian anarchist-syndicalist imprisoned by Mussolini for economic heresy. I would have agreed with her then, and for many years hence. Now I'm not so sure. There may be a third and better way. How about democratic foundations?

But before exploring this new hybrid, arguing along the way with Gramsci and Gramma, let's examine the real economic consequences of suddenly transferring ten trillion dollars from the richest to the poorest sectors of society. It's an outrageous

proposition, of course, but so is transferring the largest corpus of private wealth ever accumulated in human history to a relative handful of privileged children.

Stretch it out, it looks like \$10,000,000,000,000. Laid end to end in one-dollar bills it will reach to the sun and back five times. And it

will buy a lot. It's almost 1.5 times the GDP, twice the national debt, and about half the value of all land and financial assets in the country. You could run the federal government for seven years with that much money. If it were distributed evenly among the thirty-eight million people in the United States now existing below the poverty line, at a rate of about \$400 billion a year,

**T**he moral challenge facing organized philanthropy, now a growth industry in America, is how best to use surplus wealth in service to our civilization. Should the rich keep and invest it?

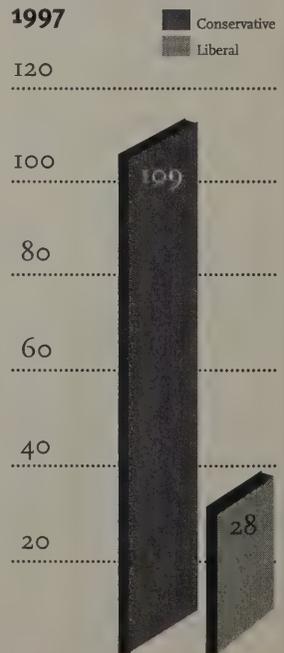
Should we encourage them (through tax laws) to create new charities and foundations? Can we promote a religious revival that enjoins them to give it away? Or should we have our government confiscate and redistribute all inheritance? A timely economic expression of the last question might read something like this:

What if all the personal wealth that is expected to transfer from one generation to another over the next twenty-five years or so, now estimated to be around \$10 trillion, rather than being passed from rich to rich, as will almost certainly occur, was instead given directly and immediately to the neediest?

"Great idea, get on with it," whispers the soul of my paternal

**Why does the nation with the greatest philanthropic establishment in the world tolerate the greatest economic disparities in the world?**

### Media References

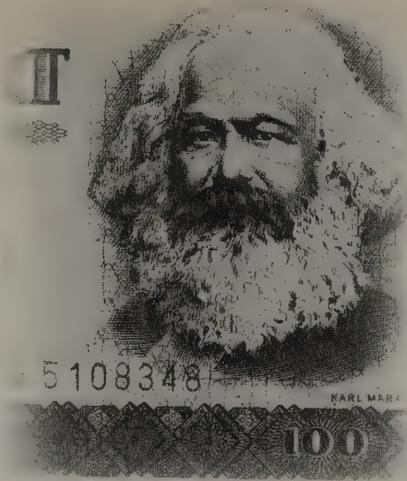


each would receive about \$10,500 per year for the next twenty-five years. Then what?

Once the poor had new refrigerators, dental work, and a rec-room over the garage, would they be more secure than they had been before the windfall? Would their work be more fulfilling, their souls enriched? Would the social conditions that made them poor in the first place have disappeared? Would their children be better educated?

Redistributing surplus is not a new idea, incidentally, nor has it been proffered only by Marxists and radical grannies. Midway through World War II, Yankee Republican James Conant, former President of Harvard and overseer of the US nuclear weapons program, called for just such a confiscatory inheritance capture. Democratic meritocracy, he averred, demanded nothing less. Inherited wealth made ruling class children lazy and indolent. A threat of poverty would drive them to excellence, Conant believed, and democracy would thrive. Conant bolstered his argument with the works of a mathematical economist named Irving Fisher, who, as President of the American Economic Association in December of 1918, called upon all economists to support a gradual transfer of economic ownership from the top few percent to the rest of us.

Liquidating \$10 trillion worth of real estate, securities or any other kind of capital would liquidate capitalists as a class. So it's meaningless to talk about the economic effects of such a transfer because it would mean turning society "upside down." My Gramma would say "right side up." But were she alive I'd have to ask her how far up it would lift the poor and for how long? And would it really create new and improved stewards of industry? Or would the poor, being numerically a so much larger class than the super rich, quickly spend their windfall on needed goods, and starve the economy of finance capital? Or, if instead they decided to invest, rather than spend, and became the new class of capitalists, would they be any more democratic or sensitive to workers, consumers, or their community than today's capitalist class? So



MONEY—A HISTORY, SEE REVIEW ON P. 43.

why bother to exchange one class of capitalists with another, particularly when the experiment seems doomed to fail? Why not do something truly imaginative with surplus capital? Like use it to strengthen civil society.

## DEMOCRATIC FOUNDATIONS

All this leads to the third way, a path between outright wealth confiscation and the re-enrichment of the already rich. As fate would have it, American

ingenuity has already invented a pretty good engine for the third way, although as it exists today it is woefully inadequate to the task of solving the ever-widening problem of incomes and poverty. I refer, of course, to the philanthropic foundation.

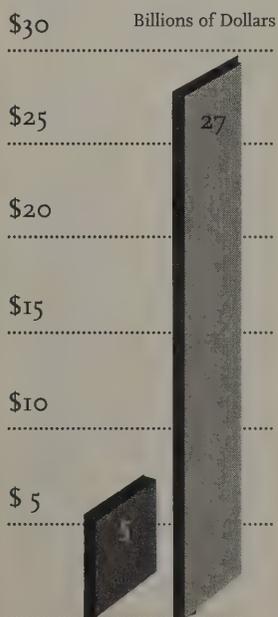
A foundation endowment is a receptacle of wealth, intentionally withheld from the United States Treasury and the profligate mittens of the indolent rich. There are today over 50,000 private, community, operating, and corporate foundations in existence. Their total assets exceed \$180 billion and they are growing faster than almost any other financial sector in the country. But it's only a beginning. They are still minuscule—they hold just over 1.8 percent of that \$10 trillion sitting in the portfolios of soon-to-expire post-war boomers. Foundations are required by law to spend down only five percent of their assets every year, and a portion of that requirement can be charged to operating expenses and trustee remuneration.

But if only ten percent of the proposed massive wealth transfer finds its way into foundation endowments, and financial markets remain strong for another decade or two, foundation assets will expand by a factor of nine before 2020 AD. Now that's real money.

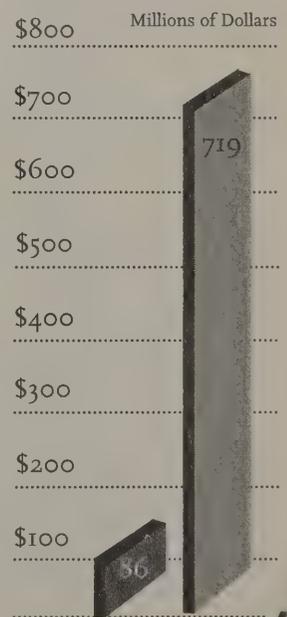
The foundation is a financial institution with some interests beyond, though not neglectful of, prudent financial management. It is neither government nor industry, though it lives off one's tax breaks and the other's largesse. The right overseers of this captured wealth can actually do remarkable things with it, as they already demonstrated. Hookworm was eliminated from the South by foundation-funded scientists. Other foundations built public libraries,

The three graphs show that the media attention to so-called "conser-vative philanthropy" vastly outstrips coverage of the better-endowed "liberal foundations."  
—Philanthropy Fall, 1997.

**Foundation Assets**  
1993-1995



**Income of Selected Nonprofits**



## Philanthropy for a Civil Society

Here are suggestions to Whole Earth from across the philanthropic community—from friends, contacts, experts, critics, and participants.

**Take more risks!** Funding a bold effort that fails may accomplish much more than “proving” many modest successes with a lot of safe projects.

**Consider general support funds,** not tightly directed grants. The grassroots need general support more than anything. Do-it-my-way grants tend to restrict imagination and increase donor-pleasing rather than good works.

**Venture capital to start up** an environmentally cool business, and equity capital to thoughtful, soulful banks, can create long-term, rippling community benefits.

**Always have a discretionary fund** to allow flexibility in crises, to cross-connect program efforts, for wild ideas and innovations and experimental balloons.

**Scale grants consciously.** The art of the small grant at the right time; the art of the capacity grant for rural areas; the art of the long-term grant to make sure it works.

**Give up the carved-in-stone five percent,** and let a foundation’s annual payout vary with conditions, especially make it five percent above overhead costs.

**Democratize foundation boards and**

**staff** so they don’t lose touch.

**Don’t wait to be asked.** Go looking for the best potential grantees, rather than expecting them to find (or use their resources searching for) you.

**Simplify and coordinate funding applications and reports** between foundations so that less time is spent on proposal applications and progress and post-grant reports.

**Consider loans, not grants.** They help shape up the nonprofit and force closer relations between donor and beneficiary.

**Consider self-destruction.** Rather than entrench a foundation bureaucracy, write in a sunset clause that may nurture a shorter but more productive lifespan.

minority colleges, great museums; the civil rights movement was heavily financed with foundation philanthropy. This country has the most remarkable independent sector in the world, as de Tocqueville discovered more than 150 years ago. Much of it was seeded, and continues to be supported, by foundation philanthropy. Those, of course, are only the good deeds.

Some damage has been done by foundations—the enhancement of prison labor, the creation of the Heritage Foundation, and the social dislocation caused by the well-meaning Green Revolution, to name three. And billions have been squandered on over-endowed Ivy League alma maters, profit-motivated science, hospitals where the rich and famous go to die, overpriced art collections and architectural ego-spasms like the Getty. An overall assessment of twentieth century foundation philanthropy would probably give it C- at best.

But things could improve, helping to resolve income disparities and resulting social injustice. The money wasted has only been investment earnings. To the endowment, no harm has been done. Assets are intact and growing, and new foundations are being created at the rate of about 3,000 a year. At the same time foundation professionals are getting better and better at leveraging money. All that remains is for them to spend it right. Of course what “right” means is the subject of fierce debate among philanthropoids, which is good. “Right philanthropy,” like “right living,” needs to be re-evaluated, and not only by folks with lots of surplus wealth.

### THE END OF PLUTOCRACY?

It seems the only way to be certain that foundations become true and effective servants of civilization, and cease being stewards of plutocracy, is to democratize them. Add provisions to the tax laws that force private foundations to expand their universe of trustees beyond the family, friends, lawyers, and fiduciaries of millionaires. Bring community activists into the management of community foundations and invite some of the folks who

might benefit from corporate philanthropy into the board room—for more than a catered lunch.

A handful of bold, though admittedly small foundations—Ashoka, New World, Tides, Flow Fund Circle, Threshold, Vanguard, Haymarket, to name a few—have found that boards made up of ordinary folk tend to be more street-wise and responsive to social or economic crises than traditional foundation boards, populated as they still are by comfortable elites, willing to wait twenty years or so for demonstrable results. Multi-racial and bi-gender as many mainstream boards may now be, they are still dominated by academic, political, scientific, social, and, God help us, economic elites. And it still adds up to plutocracy.

Democratic foundations would also be more likely to vote to increase giving above the five percent requirement during dire times or when markets were producing double-digit returns. And more of them might even vote to spend out the entire endowment of their foundation in, say, twenty-five years or so, as only a handful of private foundations have done over the past century (e.g., the Rosenwald Foundation).

The bottom line (back to realoconomics) is that the contemporary structure of organized philanthropy makes a certain amount of sense. And here I mean moral as well as economic sense. In foundations the wealth accumulated by the capitalist class remains invested, albeit in land and securities, not necessarily in productive capacity. Still, rather than liquidate all that wealth, and along with it the potential for progressive philanthropy, would it not seem more sensible to encourage the formation of more foundations (with tax incentives), democratize them, and tax more income of the uncharitable rich, and transfer that, not stocks, bonds, and real estate, directly to the neediest? ☺

Mark Dowie is an apostate Keynesian who abandoned the practice of economics over thirty years ago, “horrified by its utter lack of human or ecological values.” He’s been editor of *Mother Jones*, writes for the *Nation* and the *New York Times*, lives on a beautiful marsh and stirs up controversies that make contented progressives build muscle and think more clearly. His latest book on the environmental movement is *Losing Ground* (1996, MIT Press). He’s writing a book on philanthropy. —PW

## Innovative Foundations

Here's a selection of foundations that came to the minds of our foundation-world contacts when we dropped the phrase, "innovative foundations."

### Ashoka: Innovators for the Public

1700 North Moore Street, Suite 1920, Arlington, VA 22209, 703/527-8300, info@ashoka.org, www.ashoka.org.

Ashoka relies on workers in the field in developing countries to identify and nominate "public entrepreneurs"—men and women with the same levels of vision, creativity, and determination as successful business entrepreneurs, but who devote these qualities to introducing new solutions to social problems. Grants (often modest—\$3,000 to \$12,000 a year) support Fellows' living and working expenses for a three-year "take-off period" when they are ready to demonstrate and spread a new idea. Example Fellows: Michal

Kravčik, a Slovakian hydrologist, helps people take control of their watersheds (by showing, for instance, that check dams, small reservoirs, and

other measures can produce as much storage and flood control as a large dam, with less cost, energy, and natural disturbance); Elvira Alvarez developed a program to assist poor Bolivian prisoners by motivating officials to expedite cases, connecting prisoners with communities, and creating support, rehabilitation, and jobs for released prisoners.

### Flow Fund Circle

Flow Fund Circle reports available from *Whole Earth* while they last.

Each participant in the Circle is chosen because of his or her own creative visionary work and "on the ground" knowledge of local efforts where a small grant can make a large difference. Each receives \$20,000 a year for three years to give away, developing his or her own guidelines. None of the par-

ticipants has been a philanthropist before. Sample projects: the Eyethu Imbali Project to record oral histories of the Zulu, Xhosa, and Sewtu tribes in the Eastern Cape of South Africa; Local Food Links, to establish centers where more than 40,000 families around Bristol,

their contribution goes directly to the local community. NGOs and volunteers in each region identify, monitor, and assist projects. Projects include: Tree Seedlings Nursery, Anweafutu, Ghana, for afforestation and agroforestry; Fishery Development, Saliabughpur,

Sears, Roebuck heir Philip M. Stern established the Fund, with the stipulation that it spend it itself out over about ten years (the third successive generation of the family to create a sunset-clause fund, beginning with the Rosenwald Fund). About half the current board mem-

work not usually supported by mainstream sources." Most grant recipients are solicited by members. Some grants: the Indigenous Environmental Network, to assist Native communities in the US and Canada; the Southeast Asian Information Network, to support documentation of the Burmese government's attempt to build a gas pipeline through the virgin rain forest.

### Tides Foundation

PO Box 29903, San Francisco, CA 94129-0903, 415/561-6400, fax 415/561-6401, Tides@tides.org.

Tides seeks to link donors and projects in areas of social justice, creative approaches to economics, and environmental stewardship. All grants are made on the recommendation of donor-advised funds. Tides offers research, analysis, administration and (if desired) recommendations to donors. It supports more than 150 such funds. It also provides, on a low-fee basis, staff support to independent grant-making organizations, and administrative services to small, new community organizations. Sample grantees: ACORN-Arkansas Institute for Social Justice; Doctors without Borders; Federation of Child Care Centers of Alabama.

### Vanguard Public Foundation

383 Rhode Island, Suite 301, San Francisco, CA 94103, 415/487-2111, fax 415/487-2124.

Fourteen of Vanguard's twenty-eight board members and about half of its allocation committee are activists and heads of community organizations. It funds groups that involve their constituents in defining problems, choosing leaders, making policy, and evaluating programs. It has recently become directly involved in the political process (it coordinated fundraising and pulled together a coalition to oppose California's 1996 anti-immigrant ballot Proposition 209). Sample grants: People Organizing to Demand Environmental Rights, to identify environmental hazards in San Francisco's Mission District; Asian Immigrant Women Advocates, to support a campaign for a toxic-free workplace in Silicon Valley.



MARILYN HUMPHRIES

England, can buy locally-grown, organic food.

### Haymarket People's Fund

42 Seaverns Avenue, Jamaica Plain, MA 02130, 617/522-7676, fax 617/522-9580.

Grant decisions are made by eight-to-sixteen-member boards of grassroots activists in each of the New England states. Half the grants are for general support. Haymarket also sponsors annual conferences where wealthy people committed to equity and justice can explore with their peers the issues facing people with both wealth and a passion for social change. Groups supported include: the Center for Hispanic Policy and Advocacy, Rhode Island; the Native Forest Network, Vermont; the Chinese Progressive Association, Massachusetts.

### International Development Exchange (IDEX)

827 Valencia, San Francisco, CA 94110 415/824-8384, idex@igc.apc.org, www.idex.org.

IDEX links small-scale (less than \$8,000) grassroots projects in Asia, Africa, and Latin America with foundation, corporation, individual, and school sponsors, who are guaranteed that 100% of

Bangladesh, for construction of boats and nets and a loan fund for marginalized fishers.

### New World Fund

100 East 85th Street, New York, NY 10028, 212/249-1023, fax 212/472-0508.

At any time, four to six of the thirteen board members are "practitioners" who have received New World grants in the past or are the sort of people who might receive future grants. Ninety percent of grants fund grassroots activism. Grants are normally for general support rather than projects. New World also leverages grants by facilitating entree to other funders or providing technical assistance. Grants are often clustered geographically so that grantees do not have to compete with each other. Sample grants: National Farm Worker Ministry, Chicago, to support a network for economic and environmental justice; Southern Organizing Committee, Louisville, Kentucky, to help underwrite an environmental justice conference.

### Stern Family Fund

PO Box 1590 Arlington, VA 22210-0890, 703/527-6692, fax 703/527-5775, sternfund@essential.org, www.essential.org/stern/.

bers come from Ralph Nader-affiliated organizations. Each year the Fund grants \$50,000 to \$100,000 to one or two "Public Interest Pioneers"—persons with skills, experience, a record of accomplishment, and a developed strategy for an innovative government or corporate accountability project. Smaller grants are awarded to projects at critical junctures in their development. 1997 Public Interest Pioneers: Charles Sheketoff, an attorney and lobbyist for legal aid clients in Oregon, to establish the Oregon Center for Public Policy to provide non-partisan information and analysis on policy issues facing low- and moderate-income Oregonians; Independent journalist Norman Solomon to found the Institute for Public Accuracy to analyze and counter the reports and media coverage of think tanks heavily underwritten by monied and corporate interests.

### Threshold Foundation

PO Box 29903, San Francisco, CA 94129-0903, 415/561-6400, fax 415/561-6401.

Threshold is run on a volunteer basis by its members—people with financial capability working for justice and sustainability; their mission includes "cutting-edge



## The Money Programme



Scene from the 1933 musical *Gold Diggers*, featuring Ginger Rogers.

AQUARIUS LIBRARY

(Eric Idle sits at a desk between Michael Palin and John Cleese. He begins quietly but becomes increasingly agitated as he speaks.)

Idle: *Good evening, and welcome to the Money Programme. Tonight on the Money Programme, we're going to look at money. Lots of it. On film, and in the studio. Some of it in nice piles, others in lovely clanky bits of loose change. Some of it neatly counted into fat little hundreds, delicate fivers stuffed into bulging wallets, nice crisp clean checks, pert pieces of copper coinage thrust deep into trouser pockets, romantic foreign money rolling against the thigh with rough familiarity, beautiful wayward curlicued bank notes, filigreed copper plating cheek by jowl with tumbly rubbing gently against the terse leather of beautifully balanced bank books!!*

(He looks around in surprised realization that he's panting and screaming.)

Idle: *I'm sorry. (Adjusts tie, darts eyes around room.)*

Idle: *But I love money. All money. (Growing excited again.)*

*I've always wanted money.*

*To handle! To touch!*

*The smell of the rain-washed florin!*

*The lure of the lira!*

*The glitter and the glory of the guinea!*

(Stands up.)

*The romance of the ruble! (Stands on chair.)*

*The feel of the franc! (Stands on desk.)*

*The heel of the Deutsche mark! (Stomps foot.)*

*The cold antiseptic sting of the Swiss franc!*

*And the sunburnt splendor of the Australian*

*dollar! (Slaps knee.)*

(Sings the rest while dancing across desk; Michael and John just look at him blandly.)

*I've got ninety thousand pounds in my pyjamas.*

*I've got forty thousand French francs in my fridge.*

*I've got lots and lots of lira,*

*Now the Deutsche mark's getting dearer,*

*And my dollar bill could buy the Brooklyn Bridge,*

*There is...*

(Enter a chorus of five men in women's pilgrim costumes.)

*...nothing quite as wonderful as money!*

*There is nothing quite as beautiful as cash!*

*Some people say it's folly, but I'd rather have the lolly.*

*With money you can make a splash!*

(Chorus kneels and sings: "Money, money, money" through Idle's solos.)

*There is nothing quite as wonderful as money!*

*There is nothing quite as beautiful as cash!*

*Everyone must hanker for the butchness of a banker*

(All give Italian Salute.)

*It's the currency that makes the world go round! (A harp is wheeled across the stage but not played.)*

*You can keep your Marxist ways,*

*for it's only just a phase...*

*Money, money, money makes the world go round!*

(Play money falls from above as chorus reaches a glorious crescendo.)

*Money! Money! Money! Money! Money!*

*Money! Money! Money!*

— Suggestion by Josh Gordon

From "Monty Python's Flying Circus."

# STATE-BASED PHILANTHROPY

## THE NETHERLANDS FUNDS RECEPTIVE NONPROFITS

**Dagmar Timmer**

**T**hat a government should fund environmental groups seems inappropriate, yet it fits remarkably well with the emerging understanding of democracy and governance. It is a strategy that has been highly successful in countries like the Netherlands and Canada and, to a lesser extent, in the US by way of educational grants from the EPA and US Fish and Wildlife. Too often, only lip service is paid to “equal voice,” with environmental politics being played out as an elaborate David and Goliath story. The government typically finds itself attuned to the opinions of business and industry. To government, environmentalists often seem a rowdy lot, with their petitions, rallies, lawsuits. But it doesn't have to be this way.

The Dutch and Canadian governments came to a realization that the quality of their critics was determined largely by access to financial resources. They were among the first to test subsidies as a way of improving the level of dialogue between government and environmentalists. Their experiments have met with success and serve as models to other governments who wish to balance the input they receive on policy. In the Netherlands, the government refers to this as the “professionalization of its critics.” Instead of shying away from criticism of its policies, the Dutch government encourages it. It sees policy as a process, not merely a product. Critiques are not seen as damaging but rather as building blocks.

In the Netherlands, funding of



environmental nongovernmental organizations (ENGOs) began in the late 1970s with a small pot of money distributed to create a network of environmental groups. The scope and amount of money has increased dramatically. In 1996, the Ministry of the Environment (known by its Dutch acronym VROM) subsidized operating costs for about thirty groups at US\$4.5 million. An additional US\$3.8 million funded educational and watershed projects.

Currently, the Environment Ministry has an open and intimate dialogue with those environmental groups who want state-based grants

(not all do), and credits them with the label “mature partner,” something that was unheard of twenty years earlier.

While VROM can create public information campaigns, they cannot reach everyone effectively. At a time when environmental issues have become a lesser priority within the government as a whole, ENGOs are VROM's best tool for showing public support of strong environmental policy. ENGOs have the human resources and creativity to be effective. The Dutch government targets a percentage of its substantial subsidies to environmental groups for projects related to public education.

Illustrations from publications by the National Youth Council for the Environment and Code Name Future, two organizations supported by the Dutch government.

## Sleeping with the Enemy?

Some environmental groups that focus on ensuring that policy manifests real results, like Earth First! or Greenpeace, refuse state-based philanthropy on principle. Others cherish the opportunity to contribute to policymaking. For example, Friends of the Earth developed the concept of "environmental space" in connection with its Action Plan: Sustainable Netherlands Campaign. Environmental Space, or ecospace, expands the idea of a nation's ecological profile to include per capita resource use and the impacts of import and export

VROM public officials regularly ask for assistance from environmental groups to apply pressure from the outside, with rallies, well-timed memos, independent meetings with policy makers, newspaper articles, and letters to the editor. The government officials let the environmentalists know whom to meet with. They also make sure that accurate and timely information is passed on to the groups, so that they will meet with success.

In both the Netherlands and Canada, environmental group funding is criticized by some within the

coffee instead of planning campaigns. VROM discusses with the group why its application was turned down that year. Then, the rejected ENGO is encouraged to work with one of the others that have received funding.

In the Netherlands, the relationship has become more complicated with respect to subsidization because of a move over the past two years to shift grants from support for operating costs to support of project grants only (project grants have to be reapplied for each year). Although the amount of money has remained roughly the same, environmental groups worry that targeted project grants will develop into a control mechanism by the government.

VROM disputes this, saying that it will continue to fund the whole environmental spectrum. It directs the blame for this change to controversy within Parliament. There is a strong opinion within the Dutch Parliament that it should not be the government's place to pay for actions against its own policies and initiatives.

Government and ENGOs need each other as partners in a dialogue about sustainability. They are discussing an explosive idea: the transformation of a vision for the future into practice. Environmental policy needs to look at long-term process and goals rather than short-term gains. That being said, short-term agenda critics are vital in keeping the government from ignoring important shortcomings of its policy and recognizing when changes need to be made. By funding environmental groups and channeling the strength of the movement, Canada and the

Netherlands have discovered that their policy-making process is better able to reflect this balance between urgency and process. Moreover, these governments have realized that their "enemy" was really a much-needed, treasured piece of the puzzle. ⊕

## Brainstormen: hoe kom je op een goed idee

Een goed idee komt meestal spontaan boven drijven. Als je in bed ligt of als je aan het fietsen bent. Maar wat doe je als je à la minute een goed idee nodig hebt om bijvoorbeeld geld in te zamelen of om mensen in de buurt van school bij een actie te betrekken?

Dan ga je brainstormen. Met z'n allen ideeën spuien en dan het beste idee verder uitwerken. Je doet dit met een groep, over een van tevoren vastgesteld onderwerp (bv. hoe redden we oude boeken). Brainstormen is leuk, het levert goede ideeën op en je kunt meteen aan de slag.

beyond the Netherlands' borders. The Dutch government has included the idea in its environmental policy under the heading "squandering." FOE's proposal will be even more integral to the revised National Environmental Plan currently before Parliament.

With guaranteed, non-partisan state funds, policy-oriented ENGOs are able to research the issues. For example, I recently reviewed the elaborate critique by the *Gelderse Milieufederatie* (Environmental Federation of the Province of Gelderland) of the government's *Gelderse Milieubeleidsplan* (Environmental Policy Plan) for the province. Each comment painstakingly detailed how the government could "green" offending policy items.

As Dutch environmental groups become more professional and the government builds up a portfolio of positive cooperative experiences, the government has become more open and honest, even strategizing with ENGOs to apply pressure to other parts of the government. VROM, for instance, does not have the power to stand up effectively to the Ministry of Transportation on transport issues.

political and bureaucratic system for supporting so-called media "stunts" and members of "the ranks of the permanently indignant." This has put some stress on the subsidization process.

## Who Gets State-Based Funds?

The Dutch government is aware of the power vested in it and has made the process of grant-giving an open one. In September, after proposals have been submitted to the Ministry, the government engages individual groups in discussions about the merits of their proposals and strategizes with them about how to use the VROM funding to best influence policy made in parliament. According to one high-level commentator, if a group does not receive funding it is not because the ENGO is critical of the government. A host of reasons could be to blame. It duplicates another group's project, for instance, or the ENGO has been inactive in the environmental community, drinking tea and

Dagmar Timmer is completing her Master's degree in Political Science at Simon Fraser University. Last summer, she researched the relationship between environmental groups and the government in the Netherlands for the Resource Renewal Institute in San Francisco, California. RRI can be reached at [info@rri.org](mailto:info@rri.org). Their website is [www.rri.org](http://www.rri.org).

For more information, point your browser at the English language Dutch website, Environmental News from the Netherlands: <http://www.min.vrom.nl/vrom/enn/enn.htm>.

# SOUL INTO MONEY

**Alisa Gravitz**

It's time to look at the different tools that are part of socially responsible investing and how they work together.

## FOUR TOOLS

As a social investor you are going to use all four of these strategies in different combinations, in ways that are appropriate to your investment capacity and the kind of time and energy you want to put into it.

**1: Screening.** This is what most people think about when they think of social investing, which is screening stocks in or out of the portfolio based on the social and environmental performance of a company.

**2: Shareholder activism.** When a person or an institution or a company owns at least a thousand dollars of stock for at least a year they have the right to engage in the formal process of asking management for more information or to consider a change in their policies and practices.

**3: Community investing.** The first two deal primarily with companies whose stocks trade on one of the major stock exchanges. In community investing you're looking at investing directly into the front lines of projects, such as creating affordable housing, small businesses, and jobs. Those may be businesses or nonprofit organizations or institutions that are not publicly traded.

**4: Social venture capital.** The strategy of investing in cutting edge companies that may be the innovators in addressing social and environmental problems, but whose stocks may not trade on the public exchange.

The following, along with *GreenMoney Journal* (p. 82) and *Your Money or Your Life* (p. 80), make a complete toolkit to help your money earn money without compromising your values. —ET

### Co-op America

1612 K Street NW #600, Washington, DC 20006; 202/872-5307, fax 202/331-8166, info@coopamerica.org, www.coopamerica.org.

The first resource to consult, whether you're a seasoned pro or a newcomer to the world of social investing, is **Co-op America**, the national nonprofit educational organization that focuses on how people can use the power of their consumer investment dollars to make a better world.

All individual or business members (\$20 or \$60/year, respectively) receive the journal *Co-op America Quarterly*, as well as all other publications and access to services.

The Co-op America Business Network (CABN) connects individual consumers and investors with approved member businesses which must show a commitment to four primary stakeholders: customers, employees, community, and the planet. These companies are listed annually in the *National Green Pages*.



### Social Investment Forum

1612 K Street NW #650, Washington, DC 20006; 202/872-5319, fax 202/822-8471, info@socialinvest.org, www.socialinvest.org.

On the flip side of the Co-op America coin is the **Social Investment Forum**, the nonprofit association for individual and institutional investment industry practitioners. **SIF** is made up of the whole range of professionals, from the researchers to the money managers to the educators, committed to promoting the ideals and practical growth of socially responsible investing. They publish an annual *Membership Directory* (available to Whole Earth readers for \$2) as well as *Connections*, a quarterly newsletter, in partnership with CABN.

### National Green Pages

A Directory of Products and Services for People and the Planet

Available from Co-op America.

The primary resource used by Whole Earth to research just who is infusing money with soul—the **National Green Pages** lists businesses that provide nearly every consumer need or desire, always with an eye on socially and environmentally responsible practice. Includes an extended financial services section in addition to clothes, construction, computers, etc.

### Financial Planning Handbook 1998 Edition

Available to our readers for \$5 (includes *SIF Member Directory*) from Co-op America.

Here's how to map a financial future that doesn't contradict the way you live the rest of your life. Discover how to save and invest and support your beliefs at the same time. Included are clear explanations of the fundamentals, a glossary of financial jargon, and a city and state index to guide you to local professional advice. Happier, healthier chicks (or retirements) will hatch from nest eggs incubated with thoughtful care and planning.

WHOLE EARTH TALKS WITH SOCIAL INVESTMENT FORUM'S ALISA GRAVITZ  
ABOUT PORTFOLIO SCREENING AND SHAREHOLDER ACTIVISM

# MISSION RESPONSIBLE

## COMMON STOCK

INCORPORATED UNDER  
THE LAWS OF THE STATE  
OF DELAWARE



**A**lisa Gravitz: People invest in order to secure their future for themselves and their families. Social investing, or “mission-based investing,” is simply the idea that you want to make conscious choices that are going to create financial security for your family and also make a better world. It basically recognizes what investing does all the time anyway. One of the Social Investment Forum’s members says we’re all social investors because every investment we make crafts the future. It’s a question of are you making responsible and aware choices about it or not.

If you understand that as an investor you are engineering the future, some people then ask, “What if somebody has a different mission than I do?” I have both a philosophical and a practical response to that. The philosophical response is that even if you and I have certain things we disagree about, overall the economy is going to be better off if there are values-based decisions in it. Even if we disagree on some of the specifics, we’ll have a healthier, more responsible society if we incorporate a value space into our economic decisions. On a practical level, where investors disagree tends to be on matters that, the truth is, businesses in the marketplace don’t deal with very much. Some investors may prefer companies that support their views on abortion, but the world of businesses that deal with abortion is relatively small. My experience is that the area of disagreement in values-based investing is small. But eighty to ninety-five percent of people do agree on issues like the environment and not having discrimination in the workplace.

## SCREENING

**Whole Earth:** It seems, due to a puritan revival in America, that gambling, alcohol, tobacco—those kinds of screens are easy for shareholders. Other issues are much harder: human rights, the environment, the workplace—they don’t translate into screens as easily. There is the feeling in social movements that if we did this, we can do that. How transferable are the successes? Is South Africa a unique case?

**AG:** One of the reasons South Africa was so successful is that activist investing was used as one tool among many. There was an international community economic sanction process. There were boycotts. There were political protests and people getting arrested. Divesting was one more way that it got through to other players.

**WE:** In making investment decisions everyone talks about South Africa or tobacco as the great success stories where a negative screen was applied. Now there are positive screens, and the gray area that comes when you start mixing negative with positive screens.

**AG:** They both are very valuable in making changes to corporate behavior. It’s a carrot-and-stick approach. Companies that are not responsible will be punished over time and companies that are responsible will be rewarded. Where to invest is a difficult set of decisions wrought with the need for more and better information. In the end, even if you have all the information, you still need to make judgment calls. But again, I would argue that we’re far better off to be in that very healthy debate than we are to be ignoring these things.

In environmental screening there are many different strategies, and investors will argue over which is better. One strategy might be to identify the most egregious companies in every industry, then to invest in the industry but not in those companies. Or some people will identify the most egregious industries and not invest in them, period. Others will want to invest in companies that are tackling their problems head-on. For example, some would argue that although a Monsanto or a Dupont are in chemical industry businesses known for pollution, they have made enormous gains in reducing their toxicity. People who feel like those companies are on the right track might therefore invest in them. Other people would say a chemical company would have to have zero pollution and would have to re-evaluate some of their products before they would invest.

Back to my original proposition: the benefits of this debate are healthy. By having this debate the issue has shifted from "it's OK to pollute" to "how do you evaluate companies?" Some people may disagree about whether Monsantos and Duponts should even be in the world, but one thing is for certain, everybody benefits if they reduce their toxicity. If nothing else, it buys us time to debate about whether or not they should be in the world!

Screening sets the context for almost all of the other social investing strategies. Screening has created this industry of social investment managers and research firms who are creating the infrastructure to continually advance the state of the art for evaluating companies, analyzing companies, asking them questions every year, putting the information on databases for the public, and trying to help everybody figure out, based on the information, how to make their investment decisions.

Some people ask, "If you're screening a stock, most of the time you're buying money on the secondary markets, so what difference does it make?" The answer is two-part. One is that ultimately the companies do care what goes on, because that buying and selling every day, based on the performance of the company, is what sets the stock price. If a company needs to go to the equity markets, they would rather their stock price be higher than lower. The goal of social investing, on the screening side, is to one day make the screening out a punishment so high that irresponsible companies' stock prices would get pushed lower, and a reward such that responsible companies' stock prices would sell at a premium.

The second part goes back to the infrastructure. Screening establishes a set of researchers, analysts, and investors who evaluate a company on its social and environmental performance. They are there year in and year out. They don't go away. This creates higher expectations for corporate behavior, pushes companies to be better corporate citizens.

## BODY OF EVIDENCE

**WE:** You run the risk that those who are interested only in money and not in missions will just buy up that valuable stock.

**AG:** This is debated on Wall Street. At least a part of the stock price is certainly determined by the intrinsic value of the company. For example, there is a body of evidence that this reward mechanism favoring responsible companies may be starting to work. The ICFKaiser Company came out with a report last fall that says there is up to a five percent stock price value added to companies that have excellent environmental management. Furthermore, the study said the source of that added value came from three places. One was environmental management. When you have good environmental management, you reduce the risk of an Exxon Valdez or Bhopal. You increase profitability to the company because you reduce waste and become more efficient. That's an environmental premium, in and of itself.

Secondly, they found that if the environmental practices of a company are judged to be real and good, and if this is successfully communicated to the marketplace, consumers, when they feel like they have real information, would prefer to buy from a company that is more environmentally responsible. And who is doing the judging and the communicating? In this case, a lot of it is the kind of values-based investment community we're talking about.

Thirdly, the study identified that in order to have excellent environmental management a company needs to adopt a whole set of management techniques that, when transported to other areas of the company, really help the company do well in the current business environment. They learn things like how to manage across teams, across divisions, and around the world.

A company that has taken environmental management seriously gets all three of these advantages. As with any first of its kind, there have been some debates about the methodology that ICFKaiser used. But I suspect that we're going to see more and more



BUZZ BEAR SCULPTURE, WALL STREET CREATIONS, LTD., CATALOG, 800/675-9255.

people looking at these questions and finding out that when companies choose more responsible management practices they do better, especially over the long run.

I'll take the risk of projecting that within ten to twenty years it will be part of conventional wisdom that more socially and environmentally responsible management delivers better performance. Wall Street trades on information, so having this screening infrastructure and all these researchers and analysts asking these questions increases the information about the company, and Wall Street, and creates a setting for these questions to keep coming up. Of course, we're all human beings, and having other human beings who ask these kinds of questions, whether or not there's an immediate financial benefit today or tomorrow, becomes a point of concern or pride to companies.

### THE SHAME CULTURE

The president of Monsanto said that one of the original reasons the company started setting environmental improvement goals was that they wanted to get off organizations' bad lists. Many people at Monsanto have gotten into this new awareness because they found it is productive. They feel good about addressing their environmental problems rather than glossing them over. Because of this, Monsanto has beaten all the original goals their president set out. Again, we can discuss whether or not they should have had the pollution in the first place, but we certainly want to get it reduced when it exists.

I was once on a panel with a senior vice president from General Motors to debate whether the divestment movement in South Africa was influencing companies to divest. He took the "no" side and I was there to argue "yes." He went first and proceeded to say that divestment doesn't work, and he explained all the reasons why: it didn't affect General Motors's stock price (which was true) and boycotts didn't affect their sales, and on and on. He said that in the end he voted for General Motors to divest from South Africa because no matter where he went there were people asking when General Motors was going to divest, and he was just getting sick of this. Everywhere he went. He was at his own country club and three people came up and asked him when General Motors was going to divest. That was the reason why he divested. Not because it was having an economic impact on General Motors. I said, "Well, gee, thanks very much. I think you did a better job than I could for making the case for the effectiveness of divestment." He showed how divestment works as a cultural tool.

### SHAREHOLDER ADVOCACY

**WE:** How does a portfolio customizer decide whether it's better to invest or divest? There is a sense that if you invest you might be able to do some shareholder activism, but if you divest you take yourself out. Divesting produces "clean hands"; investing, "dirty hands." It becomes a kind of a Catch Twenty-Two.

**AG:** You're talking about shareholder advocacy, which is basically when you're a stockholder owner, you have the right to ask management to give you more information and to change policies. Screening sets the context that makes shareholder advocacy possible in a number of different ways. Almost all of the major money managers who do screening engage in some level of advocacy to try to improve the companies they hold. I know many of the socially responsible mutual funds do this.

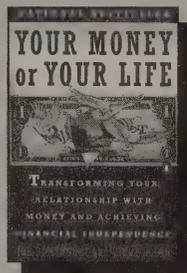
Shareholder advocacy is an important strategy for people who hold stock in companies they're sort of locked into, either on an individual level because of tax considerations, or on an institutional level because of the policy of the investment committee, or maybe on a pension plan level because the Employee Retirement Individual Security Act (ERISA) requirements don't allow them to divest certain kinds of companies. In any of those cases where you're forced to hold certain companies

### Your Money or Your Life Transforming Your Relationship with Money and Achieving Financial Independence

Joe Dominguez & Vicki Robin.  
1992; 350 pp. \$11.95. Penguin.

This is a step-by-step guide to financial independence—to finding the freedom to live without being a wage slave. It's inspiring and well-written, but only a small fraction of its value comes from reading; it must be practiced. Each of its steps—assembling the history of your life's earning, gauging your net worth, keeping track of every cent moving in and out of your life, and judging every bit of spending by asking, "Will this really help my life's purpose?"—is a tiny move toward greater awareness of money as a tool for achieving what you want.

If you make it to the final stage, you've reduced your expenses enough so that your independent income is greater. Now you begin to accumulate capital—money or time that you can invest where you choose.



That's the goal, not just of this book, but of capitalism, in its worthiest incarnation.

Until his death last year, Joe Dominguez was a kind of living symbol of high-quality austerity. He and his partner/co-author, Vicki Robin lived on \$6,000 a year, and gave away most of the money they earned. Despite that level of intensity, *Your Money or Your Life* is remarkably, and blessedly, free of guru-ishness. Many of us will find that it's not easy to follow.

Practicing the steps in this book requires letting go of the presumption that, no matter how much debt we accumulate or time we waste, we are special enough that we won't have to pay the costs. If all of us followed the book's steps, most of the cruelty and status-mongering associated with making a living might disappear.

Joe Dominguez and Vicki Robin also produced an audio cassette set, and their New Road Map Foundation (see review on p. 83) still offers the training courses from which the book derived. —Art Kleiner

# Earth in the Balance Sheet

If companies are going to measure and report their environmental performance in ways that are meaningful to the rest of us, it will take some new accounting tools. That means creating bottom-line, verifiable metrics on a diverse range of issues, and doing it in a standardized format to allow easy comparison among facilities, companies, and sectors.

Up until the early 1990s, most companies' environmental accounting efforts did not involve counting costs. They simply inventoried their emissions and wastes to account for what was leaving their plants via smokestacks and drain pipes. At most, companies were required to note in financial statements that sometime in the future they might incur some unspecified expenses associated with cleaning up the environmental problems they were creating. Most industrial companies still divulge this vague disclosure.

Financial accounting is highly standardized, governed by a set of generally accepted accounting principles, or GAAP, which are widely recognized by lenders, investors, regulators, and others. GAAP standards tell companies how and when to deduct expenses in the current fiscal year or to amortize them over several years. They describe how to assign "soft costs"—such as legal, consulting, and overhead—to each widget coming off an assembly line. But when it comes to accounting for the environment, GAAP has little to say.

Below are the best resources to the new field of putting out ledgers that include environmental costs and savings. Hopefully, we will begin to talk of direct out-of-pocket costs (raw materials, solvents, packaging materials), recharged manufacturing services (wastewater treatment, solvent recovery, direct labor), and overhead allocated to environmental duties.

Companies don't always implement pollution prevention

measures even though it is understood such measures will reduce waste and emissions and significantly cut costs. The National Resources Defense Council (NRDC) studied a Dow Chemical facility where they identified pollution-prevention strategies that could have saved the company more than one million dollars a year, approximately ten to twenty percent of its environmental expenditures. The changes also would have eliminated 500,000 pounds of waste and allowed the company to shut down a hazardous waste incinerator.

But the benefits weren't enough of an incentive to outweigh other corporate priorities, especially the potential loss of future business from shutting down the incinerator. Had the changes

been required by law, the financial rate of return would have been irrelevant to Dow's decision-making. But because these were voluntary measures, they were considered in the same way as other business opportunities: they needed to be superior to other options for capital investment. Despite Dow's commitment to pollution prevention, Linda Greer and Van Löben Sels of NRDC concluded that the company was "more concerned with maximizing profit for their business among various Dow plant locations around the world."

## Green Accounting

### Green Ledgers Case Studies in Corporate Environmental Accounting

Darryl Ditz, Janet Ranganathan, and R. Darryl Banks, eds. 1995; 181 pp. \$19.95 (\$23.45 post-paid). World Resources Institute Publications, PO Box 4852, Hampden Stn., Baltimore, MD 21211.

Best introduction with the best framework.

### The Green Business Letter

Joel Makower, ed. \$127/year (12 issues) or \$95 for electronic subscription. Tilden Press, Inc., 1519 Connecticut Ave. NW, Washington, DC 20036; 202/332-1700, fax 202/332-3028, gbl@enn.com, www.enn.com/gbl.

Edited by this page's author and long-time Whole Earth friend. Covers the hands-on corporate strategies for environmentally conscious companies.

### Business and the Environment

\$397/year or \$197/year for universities (12 issues). Cutter Information Corp., 37 Broadway, Suite 1, Arlington, MA 02174-5552; 800/964-5125.

Most costly and comprehensive source on environmental business policies.

### Environmental Accounting Resource List

Environmental Protection Agency; 202/260-1023, www.epa.gov/opptintr/acctg.

Best list available, the EPA also has a huge, somewhat unwieldy, government encyclopedia of green accounting issues.

### Environmental Accounting for the Sustainable Corporation Strategies and Techniques

Daniel Blake Rubenstein. 1994; 207 pp. \$55, Greenwood Publishing Group.

A surprisingly readable and insightful treatment of the alternative to traditional capital budgeting models.

### Measuring Corporate Environmental Performance

Marc J. Epstein. 1995; 319 pp. \$40. Irwin Professional Publications.

Clear business logic for why companies should focus as much on their EH&S costs as they do on other accounting. Comprehensive and extraordinarily readable.

### Auditing for Environmental Quality Leadership Beyond Compliance to Environmental Excellence

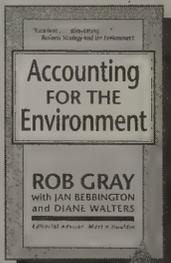
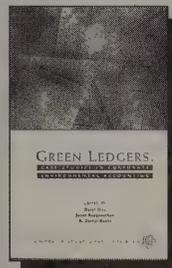
John T. Willig, ed. 1995; 331 pp, \$49.95, Executive Enterprises Publications Co.

A superb primer for those at all levels of environmental management.

### Accounting for the Environment

Rob Gray. 1994; 348 pp. \$24.95. Markus Wiener Publishers, 114 Jefferson Road, Princeton, NJ 08540; 609/921-1141

European involvement in green accounting.



that you'd otherwise prefer not to, you can turn that into an opportunity to use the shareholder advocacy process to try to improve those companies and to join with others who are working to improve these companies.

Some people are having success either getting their pension funds to begin voting on some of these issues or having their pension funds offer them socially screened options. More and more companies have what they call "defined contribution plans" where you can put in a portion of your money and your company matches you. Many companies, if enough employees ask, are open to adding options. One of the big success stories of the nineties is the TIAA-Cref folks who run the pension funds for the majority of people involved in education, one of the biggest pension funds in the country. In 1991 they added their Social Choice Account and it's been both their fastest growing and one of their better performing funds.

### THE ONE-TWO COMBINATION

Screening and shareholder advocacy are strategies that can be worked together. Folks who are concerned about owning tobacco may choose not to own the major tobacco companies, a Philip Morris or an RJR Nabisco, but they may choose to own companies that distribute or advertise cigarettes, or that make the cigarette paper, because except for that one thing, these companies are pretty good in their class. The owner can use the opportunity of holding those stocks to force the company to make changes in their interaction with the cigarette industry. A really good example of that was when the shareholders of 3M asked the company, which at one point was the third largest billboard owner in the world, not to accept tobacco advertising on their billboards, and 3M agreed. That has also been true of several news-

paper and magazine companies. You also saw this combination work with South Africa. Some institutions were able to divest, and so they did. Others participated in the shareholder advocacy process.

Another factor in effectiveness, as mentioned before, is the billions and billions of dollars involved in infrastructure. The Social Investment Forum's 1997 study found that the social investment figure is \$1.2 trillion—that's almost one of every ten dollars under professional management in the US today. Again, you've got researchers and analysts, and, on the proponents' side, the people who have committed to go to the annual meetings and raise these issues with the companies. That infrastructure is just so important. It gives other people who are working on corporate change a platform for coming in.

I was recently working with a group of people in the environmental community and a group of people working against sweatshops. Both groups said the great thing about social investing, screening and shareholder advocacy, is that you've got this huge infrastructure set up and we can come in, as non-profit organizations who are experts in these areas and say, look, the whole world is watching; you need to do something about this; we can help you set up your criteria for monitoring systems for sweatshops; we can help you think about how to make your processes more efficient and less polluting. The screening and shareholder advocacy process makes these things very visible and keeps the company aware that they need to do something about it.

It gets back to the question of the benefits of pursuing things at the investor level. When a concern comes up at the consumer level, the company's first step is to send it over to consumer affairs, have them write a nice letter, give the consumer a little coupon, and hope the issue goes away. When it comes up at the media level, well that's bad, but the average story doesn't last more than two weeks, unless it's a really bad story, then it lasts ten weeks, and there's usually not follow-up in the mainstream media. A company's media relations can handle that. But when it comes up at the investor level, the investors have access to the top management and the board, so the issue gets immediate attention. Yet despite the benefits of this strategy, it can't be the only process. We still need our regulatory processes. We still need our litigation. We still need our consumer pressure. This is one additional tool that helps strengthen all these strategies.

### The GreenMoney Journal and Online Guide

Cliff Feigenbaum, editor. \$35/year (4 issues). 608 West Glass Ave., Spokane, WA 99205; 800/318-5725, 509/328-1741, cliffgmj@ior.com, www.greenmoney.com.

GreenMoney's goal is to educate and empower individuals and businesses to make informed financial decisions by aligning their personal, corporate, and financial principles.

GreenMoney promotes responsibility in industry, from "supermarkets to the stock market." They publish alternative business information that is often difficult to find in other business resources—what's happening with sustainable business practices,

pro-family policies, and more.

GreenMoney Journal compiles and publishes an extensive quarterly calendar of business and environmental events across the nation—a great resource for any socially responsible businessperson, advocate, or activist. Readers can also turn to GMJ for behind-the-scenes information about the socially responsible investing industry. The website is an excellent source for ongoing data about upcoming events and conferences, new resources, job opportunities, and much more. Watch for the forthcoming, sure-to-be-great GreenMoney guide to socially responsible investing and mutual funds, *Natural Investing: The Healing of Wall Street*, by Hal Brill, Jack Brill, and Cliff Feigenbaum. —Elizabeth Elliott McGeveran



## EFFECTIVENESS: JOHN AND JANE DOE

**WE:** Do you have any idea how much money, on the average, a person who is a socially responsible investor makes, or how much they actually invest? Are there any statistics on that?

**AG:** All of the research I've ever seen is that your typical socially responsible investor is not very different from more conventional investors.

And I can tell you that the average Jane and John Doe can do as well financially with social investing as they can with most types of conventional investing. They have to choose their investments and investment managers carefully, but they don't have to worry about sacrificing performance. Take the Domini Social Index (DSI), a social investment benchmark designed to be an apples-to-apples parallel with the conventional Standard and Poor 500 index (S&P). On a total returns basis, since its inception in 1990, DSI has outperformed S&P. John and Jane Doe can build their financial security and shape

a better world to live in through social investing—conventional investing can't do that for them!

Some people ask, "Isn't it just as good to make a killing in the marketplace and then donate to my favorite causes?" The truth is, no matter how generous any of us would hope to be, would love to be, and actually are, if you look at a bar graph comparing the amount of money you'll give away in your life with the amount you'll invest, you will have a little bar for the amount of money you give away, and the bar of the money you'll invest is many, many times taller. It's a reasonable strategy to do good with that investment. It's certainly a much better strategy than making a killing in the stock market and investing in luxury condominiums that destroy the Everglades. It's a good strategy. I'm not making a criticism. I'm just saying look at the amount of money you'll give away in your life and the amount of money you'll invest in your life, and use both powerfully. ⊕

## SRI Resources

Information compiled with the help of the *GreenMoney Journal* (see review p. 82).

### Books

#### Invested in the Common Good

Susan Meeker-Lowry. 1995; 258 pp. \$16.95 (\$19.95 postpaid). New Society Publishers, PO Box 189, Gabriola Island, BC Canada V0R 1X0; 800/567-6772.

Practical solutions for melding economic systems with personal ethics.

#### The Socially Responsible Guide to Smart Investing Improve Your Portfolio as You Improve the Environment

Samuel Case. 1996; 196 pp. \$19.95. Prima Publishing, PO Box 1260BK, Rocklin, CA 95677; 916/632-4400.

Combines solid research with sound financial advice.



### Organizations & Newsletters

#### Clean Yield Principles and Profits Working Together

\$80/year individual or non-profit, \$100/year business (bimonthly). PO Box 117, Garvin Hill Road, Greensboro, VT 05841; 800/809-6439, 802/533-7178, fax 802/533-2907.

Portfolio advisory—reports in detail the performance of SRI stocks.

#### EcoRisc-21

Innovest Group International, 178 Main Street, Unionville, ON Canada L3R 2G9; 905/470-2383.

This ratings system, called by some a green Moody's, provides an analysis platform that weighs companies' environmental

performance, liability, and opportunities, then rates and ranks the companies. Policy thrust is to re-invent Wall Street.

#### Franklin Research and Development Corporation

711 Atlantic Ave., Boston, MA 02111; 617/423-6655, insight@frdc.com.

Publishes *Investing for a Better World* (\$29.95/year) from Franklin Research's Insight. The Professional Service is the entire collection of Franklin Research's Insight publications (\$225/year).

#### Council on Economic Priorities

30 Irving Pl., New York, NY 10003; 800/729-4237, 212/420-1133.

A nonprofit public research organization. Publishes research reports, *Shopping for a Better World*, and the *Better World Investment Guide*.

#### The Journal of Investing

Brian Bruce, ed. \$290/year (4 issues). Institutional Investor, Inc., 488 Madison Ave., New York, NY 10022; 212/224-3185.

Their Socially Responsible Investing special issue (Vol. 6, No. 4, Winter 1997) has detailed articles on all the major fronts.

#### The Calvert Group

4550 Montgomery Ave., Bethesda, MD 20814; 800/368-2748.

A pioneer with their Social Investment Foundation, Calvert is a good place to find excellent explanations for most of the financial alternatives.

#### The New Road Map Foundation

PO Box 15981, Seattle, WA 98115; 206/527-0437.

This nonprofit publishing and service programs vehicle helps people navigate the financial path set forth in *Your Money or Your Life* (see review, p. 80). Newest book: *Getting a Life*, by Joe Dominguez and Vicki Robin.

#### Students for Responsible Business

609 Mission Street, San Francisco, CA 94105; 415/778-8366, fax 415/778-8367, www.srb.org.

Working from within, this organization has chapters at 40 business schools, producing future CEOs and managers who say, "we will know SRB is successful when it is no longer needed." Awesome website with discussion lists, directories, newsletter, internship/career opportunities, and an annual conference.

## Websites

Calvert Group Funds: [www.calvertgroup.com](http://www.calvertgroup.com)

Citizens Trust Funds: [www.efund.com](http://www.efund.com)

Co-op America: [www.coopamerica.org](http://www.coopamerica.org)

Domini Social Investments: [www.domini.com](http://www.domini.com)

First Affirmative Financial Network: [www.firstaffirmative.com](http://www.firstaffirmative.com)

Franklin Research & Development: [www.frdc.com](http://www.frdc.com)

Good Money Online: [www.goodmoney.com](http://www.goodmoney.com)

The GreenMoney Online Guide: [www.greenmoney.com](http://www.greenmoney.com)

Natural Business: [www.naturalbiz.com](http://www.naturalbiz.com)

Parnassus Funds: [www.parnassus.com](http://www.parnassus.com)

Pax World Fund: [www.paxfund.com](http://www.paxfund.com)

Self-Help Credit Union: [www.self-help.com](http://www.self-help.com)

The Social Investment Forum Online(US): [www.socialinvest.org](http://www.socialinvest.org)

SRInvest: [www.tbzweb.com/srinvest](http://www.tbzweb.com/srinvest)

Vermont National Bank: [www.vnb.com](http://www.vnb.com)

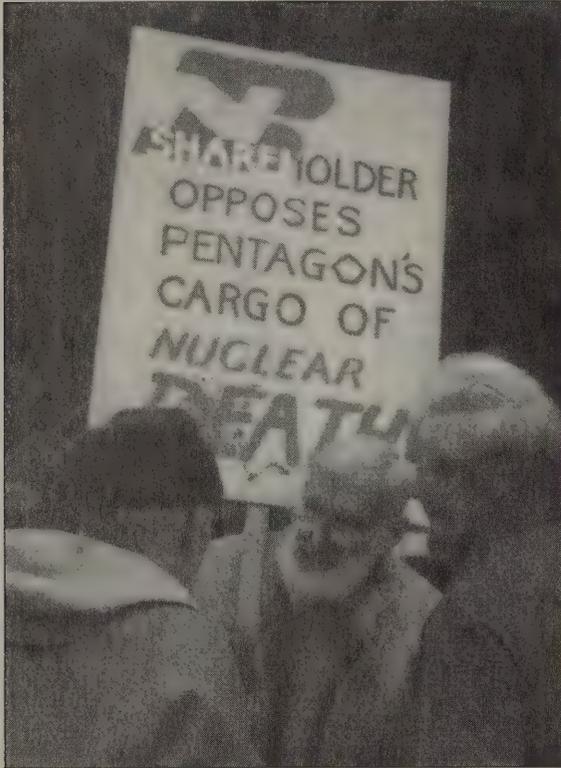


### CLEAN CHOICES 12/3/97

Stock	Ticker Symbol	Current Price \$	52-week Range \$	EPS Last 12 Months \$	Est. EPS Curr. Yr. \$	Trailing 12-mo. YTD %	Divid. Yield %	Book Value \$	Inst. Ownership %	Market Capital (\$ mil)	Avg Daily Vol. (Shares)	Bty Rank	Social Quality	Date of Financials	Recommendation	
<b>CONSERVATIVE</b>																
Amaritech	AIT	80.00	80.00-54.75	4.19	4.26	10	2.8%	14.57	41.9	43,955.7	758.8	66	Average	8-1-96	High	
Acuson	ACN	31.99	31.69-24.37	2.19	2.10	14	5.2%	17.65	20.7	227.3	11.3	28	Average	5-31-95	High	
Acquisition	WTR	31.69	31.69-24.37	2.19	2.10	14	5.2%	17.65	20.7	227.3	11.3	28	Average	12-3-97	High	
BetzDesborn	BTL	81.44	71.00-54.87	3.04	3.15	20	2.5%	13.40	72.8	1,824.8	88.5	95	High	11-29-96	High	
Comcast	CNE	26.88	26.88-21.00	1.81	1.90	15	4.8%	18.04	24.1	245.4	11.9	28	High	3-27-96	High	
Equitable Energy	EQT	32.81	29.50-27.37	1.35	1.55	14	2.7%	45.24	74.9	7,821.8	83.7	23	High	9-28-96	High	
Lincoln National	LNB	19.50	17.81-14.82	0.48	0.56	13	4.1%	9.41	40.8	453.7	258.3	24	High	1-29-96	High	
Libby's Cafeterias	LUB	19.50	22.87-17.82	1.58	1.65	13	2.2%	22.27	4.98	56.9	2,019.1	258.3	24	High	1-29-96	High
McCormick	MCCR	26.88	27.37-22.82	1.25	1.30	21	2.1%	10.09	17.3	709.0	22.5	24	High	8-2-97	High	
Smucker (J.M.)	SJMA	24.31	20.00-16.00	1.18	1.20	21	2.3%	7.40	49.5	1,759.7	322.2	22	High	8-2-97	High	
Worthington Ind.	WTHG	18.19	22.00-17.37	0.88	1.15	19	2.3%	7.40	49.5	1,759.7	322.2	22	High	8-2-97	High	
<b>MODERATE</b>																
Acuson	ACN	18.75	29.75-17.00	0.43	0.73	44	nil	8.80	54.9	575.0	187.0	30	Average	3-27-96	High	
BEZ	BEZ	31.31	31.75-22.87	1.42	1.46	22	1.5%	8.40	31.2	878.1	30.0	30	Average	9-26-96	High	
Acuson	ACN	18.75	29.75-17.00	0.43	0.73	44	nil	8.80	54.9	575.0	187.0	30	Average	3-27-96	High	

# SHAREHOLDER ACTIVISM

Peter Warshall



PETRIKA WALKER, FOR THE CORPORATE EXAMINER, SEE P. 86.

Corporations give in many ways: they form strategic partnerships by sponsoring events like little league baseball; donate product gifts such as software; endow technical institutes that produce qualified workers; give outright to art museums, disaster relief, or stadiums; make grants to nonprofit or policy research organizations that benefit the corporation; and form commercial tax write-off research and development partnerships with universities. How much influence should shareholders have on any of these aspects of corporate giving, or on any aspect of corporate practice?

## Proxy Fights

Shareholders can choose to invest, rather than divest, in order to influence corporate policies. This is the "tainted

money" vs. the "clean hands" scenario. It has been quite effective, some say more than applying portfolio screens. It takes only \$1,000 worth of shares, held for a year, to request information or submit a resolution for a shareholder vote. If the resolution wins three percent of a vote, on its first submission, it can return the following year. A resolution requires six percent on the second go-round; and ten percent on the third. Each time, it forces corporate management to consider and take a stand on the resolution. Many corporations are lobbying the Security Exchange Commission to raise these percentages to cut back on proxies.

In 1971, the Episcopal Church filed the first religious shareholder resolution, calling on General Motors to withdraw from South Africa. By 1997 an international coalition of 275 Protestant, Roman Catholic, and Jewish institutional investors, under the umbrella of the Interfaith Center for Corporate Responsibility (IRRC), submitted 194 shareholder resolutions aimed at 137 US companies. Concerns ranged among sweatshops, equal employment and equal credit opportunities, working conditions in Burma, Northern Ireland, and China, environmental care, militarism, landmines, tobacco, executive/worker compensation spreads, and more. Nearly forty percent of the resolutions submitted were withdrawn after companies agreed to the shareholders' requests or entered into constructive dialogue. The influence is not small. Pepsico and Texaco withdrew from Burma. Stone Container agreed to conduct tests to produce chlorine-free paper. General Motors's Chairman/CEO agreed to meet with a Mexican assembly-line

worker earning ninety cents an hour from GM, the largest private sector employer in Mexico.

## Corporate Charity

Corporations are not required to include shareholders when making their charity decisions. They rarely have to make their donations public. (The exceptions are donations made by way of private foundations, which they are required to report on publicly available federal tax returns.) Of the top twenty companies listed in *Fortune*, only Chevron and Citicorp report their giving. Ten others say they will supply their giving information upon request. Corporations are not required to seek the vote or advice of shareholders in choosing who to gift.

For sixteen years, Warren E. Buffett has permitted shareholders in his Berkshire Hathaway investment company to choose the recipients of their share of corporate donations. This year, stockholders may designate from one to three charities or private foundations to receive sixteen dollars for each share of Berkshire Hathaway stock they own. The *Journal of Philanthropy* reports that Berkshire Hathaway has distributed ninety-seven million dollars since the plan was instituted, with grants often going to causes that usually have trouble getting corporate funding. Places of worship are among the most selected recipients. In a recent year, 130 shareholder donations were sent to organizations that support making abortions readily available; thirty went to organizations (not including churches) that discourage or oppose abortion.

Berkshire Hathaway may be too unique to be a model of shareholder democracy. There are only 9,000 stockholders, most of whom hold onto their stock for years, compared with the constantly changing pool of hundreds of thousands of "owners" of some companies. Warren Buffett himself owns more than forty percent of the company's stock. He directs most of his portion of the donations to his own Buffett Foundation.

## Should it be law?

Last fall, Rep. Paul Gillmor (R-OH) introduced H.R. 944, which would require that, prior to shareholder meetings, corporations disclose the company's charity for the preceding year; and H.R. 945, which would require that companies give shareholders the opportunity to vote on the distribution of funds set aside for charity.

Companies are generally against these bills. They complain about the potential cost of keeping records and soliciting shareholders. They hint that the increased administrative costs of giving charity will come out of the gift budget or discourage them from giving at all. They argue that shareholders don't care: few stockholders actually request reports. They argue that charity is just another part of the job of management and should be no more subject to shareholder vote than decisions to hire vendors or buy paper clips. Others believe ironically that shareholder notification or participation is not needed because corporate charity is so minuscule anyway. They point instead to the amount of their charity that consists of matching the gifts chosen by employees.

Grantees and foundations are split: some favor disclosure, but not voting; others want both. Some fear any law that might discourage or reduce charity. Opening the process to shareholder voting could exclude "donation lobbyists" or channel gifts to just a few well-known charitable behemoths. Some trust donation officers more than shareholders to do good deeds. Some express caution about companies where fifty to sixty percent of shares are held by pension funds and mutual funds whose shares would be voted by fund managers rather than beneficial interest holders.

In summary, corporate transparency, the meaning of ownership, and shareholder (and pension fund) access to and influence over corporate management embroils altruism in a world where the "love of humanity" seems secondary or embattled, if not altogether lost. ⊕

## 4. Capital

# SOCIAL VENTURE CAPITAL

**Joel Solomon**



HOW SOULFUL INVESTORS CAN DIRECTLY SUPPORT EARLY-STAGE COMPANIES THAT ADDRESS UNMET SOCIAL AND ENVIRONMENTAL NEEDS.

**T**here are infinite variations in how mission-related or social venture capitalism works. Mission-related investors provide seed capital for privately held, start-up or early-stage, values driven, high social impact businesses. Seed capital is some of the hardest to find. It is high risk and takes a fair amount of skill for the investor to feel competent providing it. Most skillful investors look only at businesses which can pay huge returns quickly, so most of the more virtuous deals can't find money.

I do most of my work in seed capital. Vancouver-based Renewal Partners Venture Fund has an emphasis on British Columbia and businesses that support reduction of destructive practices, or, in other ways, are more environmentally friendly. We are in businesses from organic foods, to publishing, to a human potential retreat center, to documentary filmmaking.

What one usually buys is partial ownership in companies that are not publicly traded. Sometimes loans are made, often in conjunction with the ability to convert them to equity ownership at the lender's discretion; that way the lender gets some return, along with the option to be an owner if the business looks likely to succeed.

Social venture capitalism can also take the forms of community develop-

ment corporations and nonprofits. There are, for instance, banks with special deposit products that typically pay a slightly lower interest. They earmark those funds for community oriented lending, or environmentally friendly business lending, or low-income housing lending, etc. There are revolving loan funds, independent of banks, that do the same. There are loan guarantee funds, where one lends, gets interest in return, and the funds are used to guarantee high-risk borrowers. People can also invest money through foundations for "program related" or "related to program" investing, so that their charitable goals are met better by the underlying funds, as well as the donations.

[There are lists of many of these intermediary organizations in the *National Green Pages*. See review, p. 77.]

What kind of interest does a social venture capitalist have in the business? In my case, I lay out some stipulations on the front end that I feel protect us, and then assume a minority position, with the right to appoint a board seat if I am a major proportion of the investment money, or not, if I am a small proportion. My goal is to steer any non-cash resources I can to the company to help it along: professional connections, peers, conferences, technical expertise. I attempt not to interfere in the running of the

## Foundations vs. Social Venture Capital

The venture capitalist tends to invest in an organization for five to seven years, the length of time required to prepare an organization for other investors. One venture capitalist stated, "It takes two to three years to raise a lemon, and five to seven to raise a plum." Foundations' time horizons are much shorter. We looked at the five states with the most nonprofits and out of 35,000 grants made, only about five percent were for more than one year, and the average multi-year grant was for only two and a half years. Even when a foundation regularly renews grants for a nonprofit, it has a different effect. First of all, there is a lot of uncertainty about how long the relationship will last. Also, there is a lot of effort devoted to renewing that grant over time.

From "Nothing Ventured Nothing Gained: Foundations and the Venture Capitalist Model," by Bill Ryan, *Responsive Philanthropy*, Summer 1997.



company, though in many cases I am asked to be more involved, as businesses need lots of help to become successful.

Again, there are as many variations as there are people. Deal-making is an art, as much as a science. I would consider a social venture investment to be guided by principles of mutual gain and support, long-term commitment, and not demanding maximum dollar

return over the many other features of a truly healthy company and workplace.

My belief is that these businesses are essential to a sane culture in fifty years. Social venture capital is people with a mission-related politics using business models to shift how business is done. Right now, how business is done will be the

destruction of us all, if it isn't turned around, the insatiable beast. ☺

Joel Solomon works to wake up and activate sleeping capital into social impact uses. Nashville, Vancouver, and the Bay Area are all home.

## Resources

### Shareholder Activism

**Interfaith Center on Corporate Responsibility**  
Timothy Smith, Executive Director. Membership, \$35/year. 475 Riverside Drive, Room 550, New York, NY 10115-0050; 212/870-2295, fax 212/870-2023, [info@iccr.org](mailto:info@iccr.org).

Members utilize investments to change unjust or harmful corporate policies and practices. ICCR publishes a host of excellent works including the *Corporate Examiner*, focusing on proxy resolutions and corporate responsibility.

**Investor Responsibility Research Center**  
1350 Connecticut Ave. NW, Washington, DC 20036; 202/833-0700, fax 202/833-3555, [www.irrc.org](http://www.irrc.org).

Institutional investors use this independent, impartial nonprofit research to determine who they want to include in their portfolio. IRRC provides extended Proxy Issues Services addressing corporate governance, global shareholders, and social issues. They also have voting software, as well as screening services and specific issue research.



### Social Venture Capital

**The Investors' Circle**  
3220 Sacramento St., San Francisco, CA 94115-2007; 415/929-4900, fax 415/929-4915, [icircle@aol.com](mailto:icircle@aol.com), [www.svbc.com](http://www.svbc.com).

The members of this nonprofit network gather twice a year to meet with companies pre-selected by committee. The companies are in areas such as alternative energy, environment, women and minority leadership, health care, biotechnology, education, information technology, and sustainable products. The venture fairs often lead

to partnerships and co-investments. They are also an efficient way for start-ups to raise money, and provide a better shot at success for enterprises that might have difficulty finding equity from a single source.

IC's Social Venture Briefings Company introduces members to potential companies all year round.

**New Century Partners**  
402 Maple Ave. W, Vienna, VA 22180; 703/255-4930, fax 703/255-4931, [www.newcenturypartners.com](http://www.newcenturypartners.com).

The venture fair manager for Investors' Circle. In addition to network and portfolio

services, NCP has contract services that range from general partner to management support and advisory services. Superb links to other investment resources on their website.

**The Environmental Capital Network**  
416 Longshore Drive, Ann Arbor, MI 48104; 734/996-8387, fax 734/996-8732, [mccabe@recycle.com](mailto:mccabe@recycle.com).

This project of the Center for Environmental Policy, Economics, and Science (CEPES) facilitates investment in companies commercializing environmental technologies, products, and services.

**Social Venture Network**  
PO Box 29221, San Francisco, CA 94129-0221; 415/561-6501, fax 415/561-6435, [svn@wenet.net](mailto:svn@wenet.net), [www.svn.org](http://www.svn.org).

A community of business and social entrepreneurs, SVN is dedicated to changing the way the world does business, using business to promote progressive solutions to social problems. It has grown from a handful of visionary individuals to a

vibrant community of over 400 business owners, investors, and social activists.

**Calvert World Values International Equity Fund**  
Calvert Group, Ltd., 4550 Montgomery Ave., Bethesda, MD 20814; 800/368-2748, [www.calvertgroup.com](http://www.calvertgroup.com).

Has a Special Equities program that invests directly in private companies or programs whose goals closely parallel the Fund's quality-of-life objectives.

**Shorebank Enterprise Group**  
203 Howerton Wat SE, PO Box 826, Ilwaco, WA 98624; 360/6422-4265, fax 360/642-4078, [john@ecotrust.org](mailto:john@ecotrust.org).

A nonprofit business development organization which offers business assistance, new marketing strategies, and credit to small business and entrepreneurs who follow environmentally responsible business practices in the Pacific Northwest, particularly in southwest Washington.

## How to Get Out of Debt, Stay Out of Debt & Live Prosperously\*

\*(Based on the Proven Principles and Techniques of Debtors Anonymous)

Jerrold Mundis. 1988; 257 pp. \$6.99. Bantam.

### Debtors Anonymous

General Service Office, Box 400, Grand Central Station, New York, NY 10163-0400, 212/642-8220, www.debtorsanonymous.org (contact for phone numbers of local meetings).

See also: **Gamblers Anonymous**,

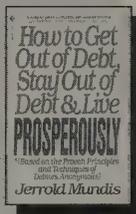
International Service Office, PO Box 17173, Los Angeles, CA 90017; 213/386-8789, isomain@gamblersanonymous.org, www.gamblersanonymous.org.

I discovered DA and then Jerrold Mundis's book after waking up one morning to find myself \$20,000 in debt. I wasn't spending way over the top; in fact, I was living rather simply. In my spiritual life, I was meditating, practicing mindfulness—but money was completely outside my field of awareness. If you asked me how much I spent in a month, I couldn't tell you.

DA and Mundis gave me the tools, and the support of people with the same experiences, to become mindful about money, track my income and expenses, and develop a spending plan to use money rather than be used by it. DA (based on the Alcoholics Anonymous Twelve-Step Program) takes a sober, balanced attitude toward money. It's about giving up debting, not about self-denial or giving up spending; it recognizes that spending money to take care of ourselves—even to give ourselves pleasure—is part of staying healthy.

I paid back the \$20,000, on a free-lance writer's income, even managing a trip to India. And I've since begun to enjoy "paying" attention to the role of money in my life. DA avoids the New Age trap of believing you can think your way to prosperity. But it also unmasks the American taboo about money: the self-imposed secrecy that keeps us from knowing ourselves fully.

DA is free; groups manage their modest expenses by voluntary donations. The personal support can be very important, but the approach isn't for everyone. Groups vary a lot. **How to Get Out of Debt** presents the most powerful DA tools in a clear, readable way. It's possibly the most helpful self-help book I've ever read. —Rick Fields



## Wall Street

How It Works and for Whom

Doug Henwood, 1997; 372 pages, \$25. Verso/W.W. Norton.

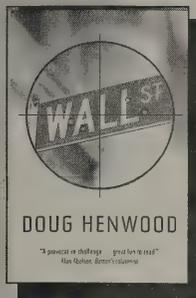
Grounded in the history of economic thought, icily angry, Henwood takes us into the thought processes of the people who play financial games. He argues cogently that these peoples' abstract fantasies increasingly rule the world. He makes the case that there is no reason whatsoever why they should. Not only does the financial world have no grounding in reality, no concern about real people or production, and no understanding of how the real world works, its daily actions aren't even important to capitalize real investments.

Henwood is especially attuned to power, and to the strange but overwhelming power that abstracted financial casino players exert upon us all without even quite meaning to. —Donella Meadows

“Money, ‘the god among commodities,’ becomes the principal object of greed—greed in its most general form, for wealth itself, rather than more specif-

ic obsessions, ‘for clothes, weapons, jewels, women, wine, etc.’ Certainly 19th century magnates loved their money, but they also took pride in the physical capital they owned—steel mills and transcontinental railroads. Such obsessions now seem quaint; modern tycoons love their portfolios most of all. Interest-bearing capital, Marx wrote, is the most fetishistic form of all, capital *par excellence*, with profit (interest) appearing with no more than the mere passage of time, with no apparent engagement with production: money-bearing becomes characteristic of capital ‘just as growth is characteristic of trees.’

“One of the reasons to be skeptical about institutions that don't alter property relations is that institutions and people that start out with noble goals often end up reproducing the ills they were meant to correct. The U.S. is full of community organizations and nonprofit housing developers that now seem indistinguishable, except maybe in matters of style, from conventional real estate developers and banks. It is no accident that the Ford Foundation has embraced community development schemes; no institution in America is better at spotting potential troublemakers and domesticating them.



anyone. Not even the IRS.

Nor can your brother or your best friend; the law won't allow people to own anyone, either.

Yet most people in debt are living to one degree or another for their creditors, many as if they were wholly owned by them. Every dollar they earn that's not earmarked for basic needs is turned over to a creditor. Their creditors have become the largest figures on their emotional landscape, juggernauts that dwarf everything

else, crushing out pleasure, hope, joy, and happiness.

Your debts may have become objects of obsession. If that has happened, they're poisoning your life, sucking the color out of your days, haunting your sleep. Their voice is never far from your ear, and their demand is relentless. They grind away at your self-esteem and your sense of your own worth every day. Remember: **Your creditors do not own you. You owe them money, not your life.**

Photographer Otis Aultman (right) about to raise the bet. Courtesy of the El Paso Public Library Association.

“MasterCard is prohibited by law from owning human beings. So is Citibank. No institution may legally own

# TAINED BONDS

AMERICAN UNDERWRITERS UNDERMINE US GOVERNMENT POLICY,  
CHINESE LIVES, AND ENVIRONMENTAL REASON

CATHERINE CAUFIELD

*Screened bond funds, such as Calvert Social Bond, screen corporate bonds as they do stocks and only buy government bonds for programs they support (student loans, hospital construction, etc.). We know of no screened global bond funds. Warning! Unbeknownst to members, pension funds and others may buy bonds that conceal their real purposes. Here is one story.*

President Jiang Zemin, fresh from his triumphant late-1997 visit to the United States, presided over a ceremony marking the end of the first phase of what, if successful, will be an even greater triumph, the construction of the Three Gorges Dam. With the brass band of China's Naval engineering institute playing "Song for the Motherland," the Yangtze River was diverted by a temporary dam into a side channel, enabling construction of the main dam to begin.

Environmentalists, human rights activists, and dissident engineers have so successfully raised questions about the dam's technical, social, environmental, and economic feasibility that even those old dam backers, the World Bank, the US Export-Import Bank, Bechtel Corporation, the Tennessee Valley Authority, and Hydro-Quebec are giving it a wide berth.

Foreign financing for the dam is being channeled through the State Development Bank, created in 1994 specifically to fund the Three Gorges dam and other large politically motivated projects. One Wall Street China analyst describes these so-called "policy projects" as "poorly planned" and "unlikely to recoup their cost."

*Institutional Investor* calls it "the chanciest China play there is."

The government insists that it will be self-financing by 2005 and that all the debt will be repaid by 2012. Such a rapid pay-back would be unprecedented in the world of big dams. It is a rare thing for a dam simply to meet its cost and time projections. China's largest hydro-dam so far, the

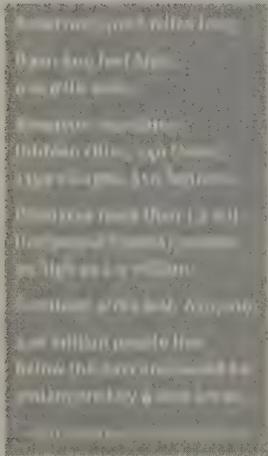
Gezhouba, which is just downstream of the Three Gorges, took nineteen years to build and cost \$625 million, rather than the promised five years and \$168 million. The same company that built the Gezhouba is building the Three Gorges dam.

Despite the impressive analysis and advocacy questioning the dam's cost/benefits, the State Development Bank sold more than \$200 million of bonds in Japan in March 1996. A planned second offering was suspended, however, after Kazou Sumi, professor of International Law at Niigata National University, charged that the first bond issue violated Japanese security laws by failing to provide clear information on the use and risks of the bonds. In January of 1997, Lehman Brothers, Smith Barney, Inc., J.P. Morgan, Morgan Stanley & Company, Inc., and BancAmerica Securities, Inc. joined Credit Suisse First Boston in underwriting a \$330 million bond issue in the US and Europe.

Critics of the dam say it is a dead weight on the Chinese economy and the government's determination to continue with it will undermine investor confidence in the country. Similar politically motivated megaprojects, such as the Bakun dam in Malaysia, have been important factors in the investor retreat from other Asian countries. "China's policy projects and the policy banks set up to fund them expose an awful lot of what is wrong with China," says Mark Mansley of Delphi International in London. "Their justification is political, not economic." Despite the talk of China's move to a free market, China's rulers still exercise a great deal of control over the economy. Three Gorges is just one example of political domination of the market, says another analyst at one of the other ratings agencies. "China is going down the same road of excessive property values, bulging external debts, and government interference with the market that has brought down so many of its neighbors. I think there's a false sense of security there. The question is, is China too big to fall?"

## INDIRECT FINANCING

It might seem that copious bad publicity about the dam's social and environmental problems and its questionable financial feasibility would scare off



Is There a Future  
in Globally Responsible  
Bonds?

PHOTOGRAPHS COURTESY INTERNATIONAL RIVERS NETWORK.



foreign investors. That this has not been the case is largely due to indirect financing. Investors who would shy away from a high-risk project are happy to lend money to the state-owned bank that finances it. This arm's-length deal protects the investor from his real investment. In the case of the Three Gorges, investors can be reasonably confident that the people of China will pay for the dam, whether or not the dam pays for itself. Though deploring its "severe assets quality problems," Moody's Investors Service gave the bank an A3 rating because it believes that China's rulers are so closely identified with it that they would lose face if it defaulted.

Another feature of indirect financing is that investments are funneled through an institution that funds several projects, thus enabling investors and underwriters to deny, however improbably, involvement in any individual project. The Bank of America, one of the six underwriters for the American bonds, actually maintains that none of its share of the bond issue will be spent on Three Gorges.

Catherine Caufield wrote the first and most moving book on the rainforest (*In the Rainforest*), which was serialized in the *New Yorker*. She lives in an oak/bay forest near the California coast and travels a lot to England. She's just published *Masters of Illusion: The World Bank and the Poverty of Nations* (Henry Holt). Earlier versions of this article appeared in the *San Francisco Chronicle* and *World Rivers Review*.

To date, this approach to project financing has largely stymied social investment funds and shareholder groups. Not only does indirect financing make it difficult to keep tabs on specific projects, most "financial activists" are intimidated by the enormity of the work that would be involved in scrutinizing the myriad lending and underwriting operations of financial institutions, especially in the international arena and in the highly secretive bond market.

### FINANCIAL ACTIVISM

But the Three Gorges experience is stimulating a number of investors

and activists to take a second look at the possibilities of, as one puts it, "opening up another area of corporate responsibility." International Rivers Network in Berkeley and the Geneva-based Berne Declaration are mounting a campaign to convince such groups to give financial institutions a more thorough scrutiny. Most have responded warily. "Banks are difficult because basically you almost have to avoid the whole banking sector if it's a question of following down all the loans they make," said Ann Marie O'Connor of NPI Asset Management in London. But some think the time may be right to expand the horizons of financial activism. "Social investment firms haven't seen themselves as having leverage in this field," says Steve Moody of United States Trust, a social investment management firm in Boston. "But now you'll probably see the launch of portfolios devoted to the stock of the most egregious offenders, just so that we can raise these issues with them." ⊕

Above, clockwise: Temporary shiplock at edge of Three Gorges dam; a gorge to be inundated by the project; the front of the Gezhouba dam.

### The River Dragon Has Come! The Three Gorges Dam and the Fate of China's Yangtze River and Its People.

Dai Qing. Probe International, International Rivers Network, 1998; 240 pp. \$39.95 (\$43.45 postpaid). M.E. Sharpe, Inc., 80 Business Park Drive, Armonk, NY 10504, 800/541-6563, 914/273-1800, fax 914/273-2106.

The best compilation of essays and field reports on the environmental, archaeological, cultural, economic, and human rights issues presented by the Three



# BANKING ON NATURAL CAPITAL

MONEY—A HISTORY, SEE REVIEW ON P. 43.



## MAPPING PATHS TO CONSERVATION- BASED BANKING

JOHN HAINES

Squirrels hoarding nuts for winter food, were one of the first totems of saving. Shield from Gosling Bank, England.

**S**horeBank Pacific is perhaps the first bank dedicated to fostering a conservation-based economy. Ecosystem liquidation and degradation are banned from the business plan. The bank has begun mapping new business approaches to ensure that the economic activity it helps to support always includes social and ecological accountability.

ShoreBank Pacific is a small pioneer, with eight employees, headquarters in Ilwaco, Washington near the mouth of the Columbia River, and loan offices in Seattle and Portland.

Last year, Chicago-based Shorebank Corporation, in tandem with Ecotrust (a nonprofit conservation group out of Portland), founded ShoreBank Pacific (SBP). For twenty-five years, Shorebank Corporation has been rebuilding inner city neighborhoods block by block, offering loans for small businesses and housing renovation in areas avoided by other lenders. The new bank, a wholly owned subsidiary of Shorebank, works with an affiliate nonprofit business development organization, Shorebank Enterprise Pacific. Since 1994, the enterprise group has provided marketing services and credit from a \$3.5 million revolving loan fund to entrepreneurs and businesses in the Lower Columbia and neighbor-

ing watersheds—an area of degraded ecosystems, rising unemployment, slipping incomes, and declining investment in resource-based livelihoods (farming, fishing, and forestry). There is a great regional thirst for both economic and ecological revival.

Like any responsible bank, SBP is super careful and conservative. It adheres to time-tested practices: thorough and prudent lending and long-term relationships with investors, borrowers, depositors, and the communities. Unlike most other banks, SBP's sole goal is not maximum profits and expansion. Through loans and conservation recommendations, SBP hopes to initiate a wider public policy discussion on fiduciary

responsibility and community reinvestment, a discussion that will include conservation principles, alternatives to government regulation, and, in rural areas, measurements of ecosystem services and biodiversity indicators. There is no model to follow in establishing ShoreBank Pacific. SBP's working partnership with Ecotrust and Shorebank Enterprise Pacific is pathbreaking; the map is new. ShoreBank Pacific's ability to meet its mission—the development of progressive loan products and environmental services—will require continual adaptive reckoning and self-appraisals.

### The Responsible Banking Toolkit



**LOANS:** Like any other bank, ShoreBank Pacific is a financial intermediary that accepts deposits and offers commercial loans, lines of credit, mortgages, and residential home equity loans. ShoreBank hopes to distinguish itself by quantifying the cashflow benefits of improved environmental management practices and applying this information in its evaluation of loans. It's no easy proposition: cashflow and environmental benefits can occur over time scales that are not quantified adequately by tax, regulatory, or present-day accounting.

An urban borrower, for instance, might seek financing to purchase a waste-heat exchanger that generates cost savings in energy consumption, waste disposal, and insurance. When downstream cashflow benefits and environmental improvement work in

harmony, a SBP loan officer might structure the price, repayment conditions, or other terms of the loan accordingly. For ShoreBank Pacific, this cashflow analysis of environmental practices is critical. It may allow loans that another bank would forgo.

To finance some conservation-based projects, SBP will form joint loan partnerships with another bank. ShoreBank may run into thorny moral/financial landscapes: How to balance the other bank's investments—which may be blind to conservation issues—with the “good works” goals of the specific partnership?

**EQUITY CAPITAL:** ShoreBank Pacific's loan quality, capital adequacy, and solvency are reviewed systematically by federal regulators. The bank's deposits are insured by the FDIC. Unlike most banks, however, ShoreBank Pacific's equity capital was obtained primarily from foundations making program-related investments. It has raised more than \$7 million (about \$6 million from philanthropic sources) toward a goal of \$9 million. Shorebank President Ron Grzywinski refers to this equity as “patient capital” because both the investors and the investment are patient, giving as much weight to long-term community and environmental health as profit maximization. Based on typical equity-to-liability ratios for a bank of its size, ShoreBank Pacific's “patient equity capital” can support deposits as high as \$100 million.

Once again, as a conservation-based financial institution, SBP must trailblaze: how and where should it invest its equity capital, capital closely regulated and tightly constrained by federal laws? How to non-harmfully invest its deposits? There are no simple answers to which “green screens” should be applied. Navigating with two captains—its fiduciary responsi-

bilities and its professed green and non-harmful investment goals—SBP covers unchartered ground.

**LOCAL BANK/GLOBAL DEPOSITORS:** ShoreBank Pacific offers mission-based “EcoDeposits.” Almost 800 depositors have deposited more than \$7 million, mostly in small amounts. Most banks emphasize retail banking and compete for depositors within their local communities. ShoreBank Pacific seeks depositors nationally (at present, from forty-nine states) and worldwide (at present, from seven foreign countries). ShoreBank Pacific's smaller CDs are competitive with regional rates and national averages for comparable accounts. As ShoreBank's deposit base grows, loans will flow into a rural area that has suffered disinvestment because of liquidation of the natural resources on which residents depend.

**MELDING PRIVATE/PUBLIC FINANCE:** ShoreBank Pacific is, in part, a specialist small business lender that looks to work with other banks, public sector agencies, and nonprofits. Collaborations between SBP and the private/public sectors will hopefully create a new financial “toolkit” for conservation-based development. Shorebank Enterprise Pacific initiated one such project on the Astoria, Oregon waterfront, where hydrocarbon contamination from an abandoned plywood mill threatened an intertidal mill pond that empties into the Columbia River. The contamination prevented site re-development. An existing collaboration included capital from the enterprise group's revolving loan fund and matching funds from the EPA brownfield cleanup division. It also included the state, the city, and another local bank. Together, they made site remediation possible. ShoreBank Pacific has now

joined Shorebank Enterprise to work with the city and developers to bring back the site's productive use.

**SMARTER SELF-ANALYSIS = SUSTAINABLE PERFORMANCE:** ShoreBank Pacific and its partners (Ecotrust and Interrain Pacific) are developing new forms of technical support for the bank's customers. These environmental services will help businesses measure resource inputs and outputs, evaluate products based upon resource use, and review benchmarks relative to similar sectors in industry. With this information, the bank can help customers, especially small and medium-sized customers with limited time and resources, to establish baselines, benchmarks, strategies, and options to improve efficiency and performance.

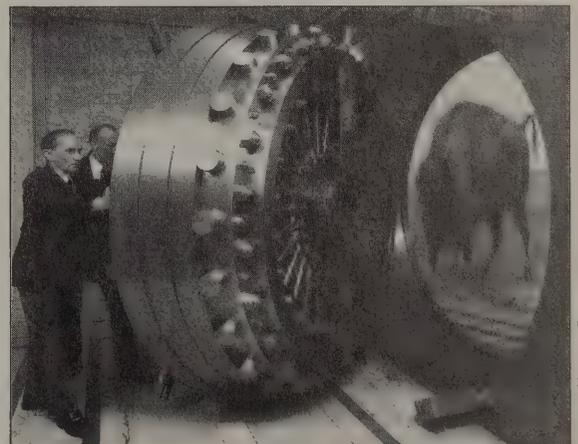
ShoreBank Pacific starts with the recognition that, in today's world, diminishing natural capital and the limited capacity of living systems to absorb human influence are major constraints. It believes that experiences in rural Oregon and Washington have demonstrated that ecosystem conservation and community development can evolve into a balanced symbiosis. Forthright consideration of market, ecological, and financial systems can widen a bank's view of community and should, by extension, help to reduce the bank's credit risk. ShoreBank Pacific hopes its new niche will become every bank's niche—that other banks will eventually realize that conservation-based development is their business too. ⊕

Door to safe deposit at Midland Bank's head office, London. Photoshopped American Bison.

John Haines is Vice President of Shorebank Pacific. He's from a fourth generation banking family in Wyoming. He started Trenton Business Assistance Corporation in New Jersey, a still-thriving

microenterprise loan fund. He's worked in commercial corporate lending in Portland, Oregon. More recently, he spent a year and a half in the Czech Republic helping the government set up the Czech

Fund for the Environment. I'm still envious of his nineteen-week pirogue trip down the Niger River, bamboo-poling his way to Timbuktu. —PW



MIDLAND BANK

## Socially Responsible Banks

by Whole Earth staff, with help from Co-op America's Green Pages and the GreenMoney Journal

Most offer all the usual services: checking, savings, money market accounts, CDs, IRAs, and loans to individuals and businesses, along with the features noted.

**Albina Community Bank**  
2002 NE Martin Luther King Blvd., Portland, OR 97217; 503/288-7286.

Mission is to accelerate the redevelopment of the community while ensuring that all groups, low-to-middle income, minorities, and women, have opportunities to share in the community's economic upturn. Micro-lending, affordable housing construction, and small commercial development. They hire people from the community—half the staff lives in the target area.

**BankBoston**  
(First Community Bank)  
100 Federal Street, Boston, MA 02110; 617/434-8267, fax 617/434-2631, gsnowden@bkb.com.

Finances wealth creation and economic development in low- and moderate-income, underserved, and emerging markets through creative partnerships, loans, investments, and retail banking services.

**Bank of Newport**  
1000 SW Broadway, Suite 1100, Portland, OR 97205; 503/224-4245, fax 503/224-4226, www.westcoastbancorp.com.

Deposits in the program are used exclusively for loans and short-term investments in small business, affordable housing, and community development.

**Blackfeet National Bank**  
PO Box 730, Browning, MT 59417; 406/338-7000.

This institution, 94 percent owned by the Blackfeet tribe, focuses on developing the reservation economy. Approximately 90 percent of loans made go to reservation residents.

**Community Bank of the Bay**  
1750 Broadway, Oakland, CA 94612; 510/271-8400, fax 510/433-5431.

Specializes in small business lending, loans for development of affordable housing, and loans to nonprofit organizations.

**Community Capital Bank**  
111 Livingston Street, Brooklyn, NY 11201; 718/802-1212, fax 718/243-0312.

Full-service bank supporting community development in New York City.

**Elk Horn Bank and Trust**  
601 Main Street, PO Box 248, Arkadelphia, AR 71923; 800/789-3428, 501/246-5811, fax 501/246-5284, stiffler@ehbt.com, www.ehbt.com.

The first rural community development bank focused on enterprise and job creation in distressed southern Arkansas communities. Open a socially responsible Community Deposits checking, savings, money market, CD, or IRA.

**First Trade Union Bank**  
25 Drydock Avenue., Boston MA 02210. 617/482-4000.

The only bank in the country owned by union pension funds.

**NCB Savings Bank**  
139 High Street, Hillsboro, OH 45133; 800/322-1251, fax 513/393-4064.

Helps cooperatives create housing, jobs, and important products.

**Shorebank Pacific**  
PO Box 400, Ilwaco, WA 98624; 888/326-2265, fax 360/642-4078. See article above.

**South Shore Bank of Chicago**  
7054 S. Jeffrey Boulevard, Chicago, IL 60649; 800/669-7725, fax 312/753-5607, deposit@sbk.com.

National depositors and local borrowers rebuilding urban neighborhoods.

**Support Financial Services, Inc.**  
3577 Nykand Way N, Lafayette, CO 80026; 303/499-8189, fax 303/499-3923, zpai@support.com.

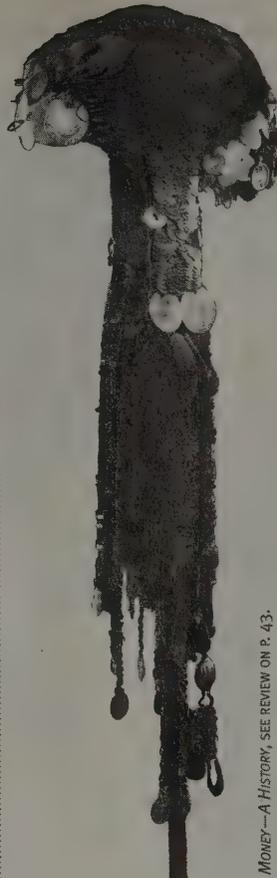
Provides consulting and early stage bridge financing to qualified co-housing and other community groups.

**Vermont National Bank's Socially Responsible Banking Fund**  
PO Box 804, Brattleboro, VT 05302; 800/772-3863, fax 802/258-4098, dberge@vnb.com.

Uses deposits only to support flexible loans for affordable housing, environmental and conservation projects, sustainable agriculture, education, and small and dual bottom line businesses.

**Wainright Bank and Trust Company**  
63 Franklin Street, Boston, MA 02110; 800/444-2265, 617/478-4000, fax 617/478-4020.

Has over \$50 million committed to local development projects including housing for people living with AIDS, breast cancer research, and the protection of wilderness areas.



MONEY—A HISTORY, SEE REVIEW ON P. 43.

Headdress from Samu'ah in the southern Hebron hills, dating from the 1840s, with later additions. In the nineteenth century, Palestinian women in some areas wore a bonnet to which coins were attached. Part of a girl's bridal jewelry, they belonged entirely to her and could not be touched by her husband.

## Credit Unions

### National Federation of Community Development Credit Unions

120 Wall Street, 10th fl., New York, NY 10005; 212/809-1850, fax 212/809-3274.

The national association for credit unions that serve low-income communities, both minority and other. Capitalization program acts as a "central revolving fund," accepting loans from social investors and channeling the proceeds into low-income credit unions as insured deposits.

**Alternatives Federal Credit Union**  
301 W. State Street, Ithaca, NY 14850; 607/273-4666, fax 607/277-6391, afcu@alternatives.org, www.alternatives.org.

Deposits are re-invested in community: loans for minority- and women-owned businesses, energy-efficient cars, flexible mortgages, and youth credit union.

**Self-Help Credit Union**  
PO Box 3619, 301 West Main Street, Durham, NC 27702; 800/966-7353, fax 919/956-4600, info@self.help.org, www.selfhelp.org.

Provides home and small business loans to low-wealth families, women, minorities rural residents, and nonprofit organizations. SHCU loaned \$2.79 million in mortgages in a recent year, of which 92% went to minority households and 64% to female-headed homes. Of their \$2.56 million in commercial loans that year, 44.4% went to minority-owned firms, 37.6% went to women-owned firms, and 13.5% went to co-ops and nonprofit ventures.

## Banking Institutions of Special Note

**Women's World Banking**  
8 W. 40th Street, 10th fl., New York NY 10018; 212/768-8513.

A nonprofit institution that provides loan guarantees to banks and other financial institutions for the purpose of promoting entrepreneurship of women, particularly those women generally without access to established financial services.

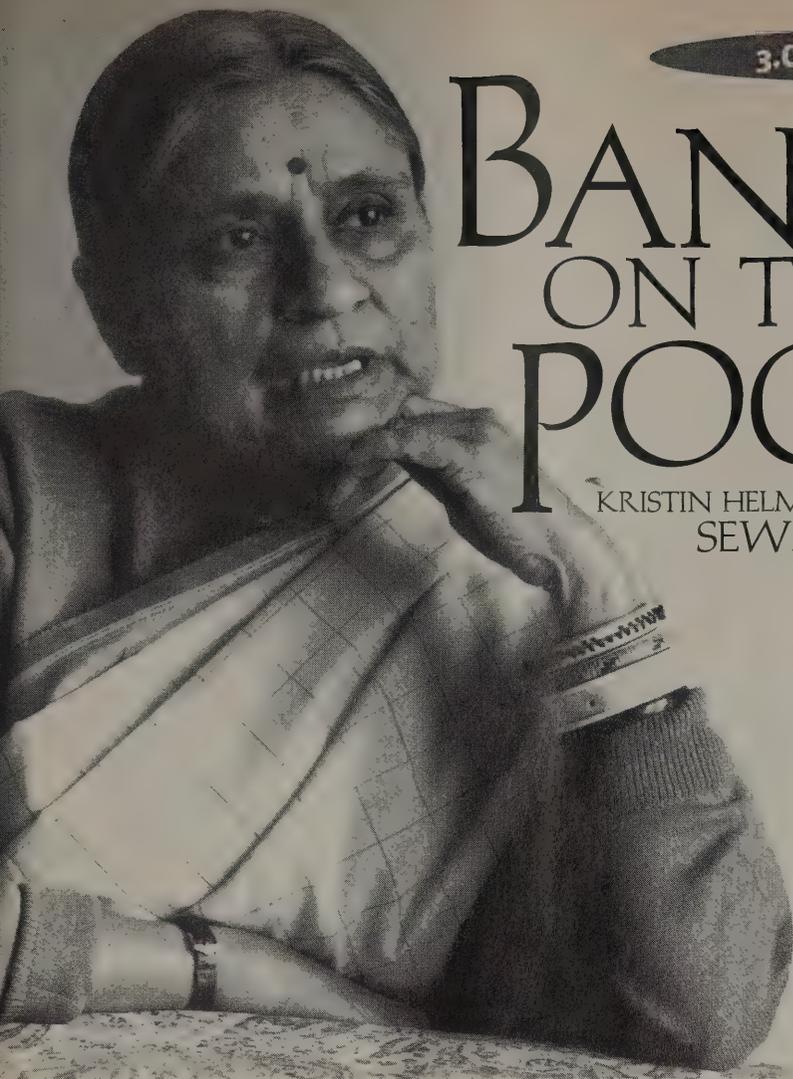
**Creative Investment Research**  
PO Box 55793, Washington, DC 20040-5793; 202/722-5000, fax 202/785-4682, www2.ari.net/cirm.

Surveys, evaluates, and publishes information collected from minority and women owned banks, thrifts, and brokerage firms. Also determines Community Reinvestment Act (CRA) ratings and reviews CRA activity at these banks.



# BANKING ON THE POOR

KRISTIN HELMORE INTERVIEWS  
SEWA FOUNDER ELA BHATT



DANA WICKWARE/UNITED NATIONS DEVELOPMENT PROGRAMME

mal sector (she prefers the more upbeat term, “self-employed”). This will lead automatically to the second step: political visibility and influence. For the nearly quarter of a million members of SEWA, political visibility has already resulted in the enforcement of minimum wage laws, protection from layoffs for piece-workers and freedom from police harassment. Visibility has even resulted in laws guaranteeing fair prices for home-produced goods.

Political visibility, says Ela Bhatt, will also produce the third prerequisite for eliminating poverty: a change in national priorities. The policy changes that are needed, she says, would ensure that the self-employed majority has access to essentials such as affordable raw materials, market opportunities, credit, training, and economic safety nets such as maternity leave, health care, and child care.

When I ask a question about SEWA “beneficiaries,” Ela Bhatt points out emphatically that what SEWA provides to its members is not charity. It is simply a set of services, training, and financial systems that give self-employed workers the same benefits that others enjoy, enabling them to work more productively. SEWA’s work focuses on more than changes at the policy level. “Our approach being the Gandhian approach, we are interested in our members as human beings, not just as workers. Apart from economics, we are also concerned with health, housing, and the development of the person. We see human beings at the center.”

Increasingly in India and throughout the world, more and more it is women who bear sole responsibility for the survival and welfare of their chil-

of India’s laborers are unrecognized for their contribution to the national economy, unsupported, routinely exploited, and harassed in their work, the humble disciple of Gandhi becomes tough and unbending.

“Personally, I don’t think there can be any greater injustice to anybody in the world than to have one’s work contribution negated,” she declares, visibly outraged. “Just look at your major employment sectors in a developing country. They’re mostly agriculture, animal husbandry, forestry, fisheries, small-scale industries, petty vending, hawking, micro-enterprises. So who are the producers? Who is the work force? Who is the backbone of any economy in the country? It’s the poor! Yet they are not recorded as workers in the national census. They are described as non-workers!”

Ela Bhatt says that three things need to happen if this mass injustice is to be corrected and widespread poverty eradicated. First is public recognition of the economic contribution of the infor-

I vividly remember our first meeting over a decade ago. It took place in Ela Bhatt’s tiny office in the multi-storied Self-Employed Women’s Association (SEWA, see p. 95) building, surrounded by Ahmedabad’s swirling traffic, noise, dust, heat, fumes, and endless rivers of people. Inside, SEWA was also in motion—each floor a blur of faded cotton saris, thick black braids, and dusty bare feet. In this entire bustling building, the SEWA Bank is the room in which Ela Bhatt takes most pride. Here, illiterate vegetable vendors, rag-pickers, and other self-employed women make savings deposits, take out loans for business capital, and sit cross-legged on the floor in small groups, drinking tea. Here babies are nursed and rocked to sleep, and women meet for moments of friendship, laughter, and mutual support, as women do at village wells all over rural India.

We meet again years later to discuss the question at hand, poverty. When she points out that ninety-five percent

Excerpted from *CHOICES*, Division of Public Affairs, United Nations Development Programme. The complete interview can be found in their October, 1996 issue.

# CREDIT, REPAYMENT, AND SAVINGS

dren. "You cannot eradicate poverty without the participation of women. Among the poor, all women work," Bhatt says. Whatever income goes into the hands of women, almost ninety-eight percent is spent for the family—for food, clothes, for the children's education, for shelter."

In 1972, a small group of headloaders—the unofficial porters of the textile industry—approached the women's wing of the TLA, the textile workers' union. These illiterate women, who carry huge loads of fabric and bales of cotton through the streets of Ahmedabad on their heads, wanted to know how they could receive some of the benefits their unionized sisters in the factories enjoyed. They were referred to Mrs. Bhatt, a lawyer representing the TLA, and the movement grew from there.

In 1977, Ela Bhatt was awarded the prestigious Maysaysay Award, known as Asia's Nobel Prize. In 1986, the Government of India appointed her to chair a National Commission on Self-Employed Women. In this capacity, she prepared a milestone report, "Women's Labour Power," most of the recommendations of which have been incorporated into the government's eighth Five-Year Plan. These include the establishment, at the national level, of a credit fund for women, a social security fund for women, and a day-care fund. The report was translated into eighteen Indian languages and German.

The champion of self-employed women is not opposed to economic liberalization and the emphasis on free-market capitalism that have redirected India's economic policies in recent years. Indeed, liberalization, she says, should also be applied to the working conditions of the self-employed. "They are also burdened with too much bureaucracy." With a chuckle of contempt, she uses terms like "License-Raj" and "Inspector-Raj" to describe the labyrinthine empire of regulations and red tape that impedes the activities of workers such as street vendors.

What concerns Ela Bhatt most about current economic trends is what she calls distorted progress. "It's not balanced progress. Those who already have are becoming richer, because there's more investment at the upper levels, more urgency in giving priority and in the allocation of funds and resources to the upper levels." ⊕

When a woman decides to try for a loan, she usually applies with the help of a reference person, someone already known by SEWA Bank. If it is an applicant's first time at the bank, she is also encouraged to bring another family member or friend. The bank scrutinizes and processes the application, carefully reviewing the applicant's income-generating ability, her financial status, the soundness of her working conditions, and her ability to repay. The information is discussed by a loan committee that submits its recommendation to the board. The majority of loans are unsecured; their approval process takes about one week. If the woman has jewelry to offer as security, a fixed deposit, or a mortgage, she can get a loan the same day.

Before borrowing, while repaying, and after repayment—SEWA always encourages its members to save. Once the loan has been approved, the borrower is required to buy five percent of the loan amount in bank shares and to open a savings account if she does not yet have one. SEWA also employs savings mobilizers, women who make house or workplace visits so that clients can easily deposit their savings.

The first step is often to extend credit to highly indebted women. SEWA's interest rates are much lower than those of usurious loan sharks, where ten percent per month to ten percent per day is not uncommon. Once she is free from the exorbitant rates, she has gained some bargaining power with her suppliers. The second step for the woman is to use her new credit so that she generates more income, which she can use to repay the

loan and build up working capital.

The Bank provides loans with a repayment period of three years for productive purposes. Around ten percent of the women face difficulties in repayment each month. Most repayment problems occur in times of crises. SEWA has learned that providing support at these times, rather than harassment, strengthens the Bank's position as a friend of the poor and results in better repayment than legal recourse or threats. The SEWA Bank is flexible in helping a woman reschedule her installments when these crises occur. Gradually, the members are being trained in the habits of banking, and this inculcates a sense of thrift: they learn to make more productive use of their money. In the process, their self confidence is enhanced. ⊕

Poor self-employed women often depend on informal money-lenders,

contractors, and wholesalers who charge exorbitant interest rates. This is

usually the start of a downward spiral of increasing indebtedness.

"Credit, Repayment and Savings" is from *Access to Credit for Women*, [www.soc.titech.ac.jp/titsoc/higuchi-lab/icm/wind/](http://www.soc.titech.ac.jp/titsoc/higuchi-lab/icm/wind/). The Self-Employed Women's Association, SEWA Reception Centre, Opp. Victoria Garden, Bhadra, Ahmedabad-380001, India; phone +91-79-5506477 or +91-79-5506444, fax +91-79-5506446, [sewa.mahila@access.net.in](mailto:sewa.mahila@access.net.in)



RADHIKA CHALASANI/UNITED NATIONS DEVELOPMENT PROGRAMME

# MICROFINANCE: THE SELF-EMPLOYED WOMEN'S ASSOCIATION

*Smita Srinivas*

Four thousand members of the SEWA trade union established the SEWA Bank in 1974 as a cooperative. Today SEWA has over 220,000 members, 362 producer groups, and seventy-two cooperatives.

Sub-sectors of the economy that SEWA's members have identified and developed are dairy farming, gum collection, embroidery, salt farming and plant nurseries. Non-wage earning activities normally considered women's work, like embroidery, have been successfully converted into wage labor. Due to resulting increased income and greater status in their communities, these women have a much stronger voice in village-level decisions normally made by male leaders. SEWA has also succeeded in minimizing seasonal migration, caused by lack of employment, by encouraging women to form self-employed producer groups whereby they can find new markets for their products.

SEWA women are encouraged to hold accounts in their own names. This is revolutionary for traditional Indian society, where financial accounts are almost always managed by or passed down along patriarchal lines. Since many women clients are very poor, illiterate, and cannot sign their names, photo identification is provided so that transactions can be made without a signature. Each client is a shareholder of the SEWA Bank. Decisions regarding policy and sanctioning of loans are made by a Board of Directors, elected regularly by the shareholder members.

The Reserve Bank of India (India's

carts, sewing machines, looms, and tools for carpentry and blacksmithy. Many of them have upgraded their skills, developed more business and increased their income. SEWA has given priority to capital accumulation so that loans are not taken primarily for consumption and survival.

## FINANCIAL STABILITY TRANSLATED INTO COMMUNITY IMPROVEMENT

Perhaps more important than just access to credit, which many incorrectly believe is the panacea for all hardship, SEWA has concentrated on empowering women to use all of their resources more effectively.

SEWA uses grassroots techniques, working with various women's village

organiza-  
tions, often  
helping  
form these  
groups.  
Principles  
of collective  
organiza-  
tion have  
allowed  
women to  
meet their  
needs for  
higher  
income (or  
any income  
at all), bet-  
ter health  
services,  
child care,  
and com-  
mon forms  
of insur-  
ance to pro-  
tect their  
lives and  
livelihoods.



WOMEN'S OPPORTUNITY FUND, SEE P. 92.

Central Bank) supervises SEWA's functioning as it does any other bank. The repayment rate is astonishingly high (ninety-six percent) by the yardstick of commercial banks, and SEWA loans at viable commercial rates of interest (seventeen percent). There are no government subsidies; SEWA successfully stays self-sustainable.

SEWA lends to its members for working capital, investment in working tools, and for capital investments like work areas, houses, or storage space for their products. A large number of the members now have their own hand

Many SEWA groups have begun health cooperatives and opened childcare facilities. Women's groups that receive loans also receive training in financial management, their legal rights, and business management.

In the villages of Gujarat, and in the city markets of Ahmedabad, women are speaking out more, taking leadership roles, and realizing how far they can go when they have collective bargaining power for wages and better working conditions. They are combating domestic violence and improving education and family health. ⊕

Reprinted from  
Smita  
Srinivas's arti-  
cle in *Women  
and Money: Economic  
Justice and  
Empowerment  
Monthly  
Report*, PO Box  
4193, Berkeley,  
CA 94704;  
pw2.netcom.co  
m/~aiyka/sew  
a.html.

## Microfinance Resources

by Robin Ratcliffe and Elizabeth Thompson

The following two books, along with a catalog of some twenty other monographs, discussion papers, and manuals in English and Spanish, can be ordered from ACCION Publications Department, 733 15th St. NW, Ste. 700, Washington, DC 20005, 202/393-5113, fax 202/393-5115, [acciondc@hers.com](mailto:acciondc@hers.com).

### The New World of Microenterprise Finance Building Healthy Financial Institutions for the Poor

*Maria Otero and Elisabeth Rhyne, editors. \$26.95.*

Gives a very good narrative overview of microenterprise finance, examining different methodologies with case histories of organizations from around the world.

### An Operational Guide for Microenterprise Projects

*ACCION and Calmeadow. \$15.*

Serves as a basic how-to text for practitioners. ACCION is discussed in more detail below. Calmeadow is a Canadian foundation active in microlending projects.

### From Vicious to Virtuous Circles? Gender and Micro-Enterprise Development

*Linda Mayoux. 1995. United Nations Research Institute for Social Development, Palais des Nations, 1211 Geneva 10, Switzerland; 41-22-798-84-00, fax 41-22-740-07-91.*

This Occasional Paper (#3) for the Fourth World Conference on Women is an important topic because a PC mantra of "microenterprise is good" has developed, with almost no discussion of the downsides and limits. They must be clearly noted, or as its failures become more clear, women will be blamed for failing at this "good" activity. —Nancy Ramsey

## US Resources

### The Practice of Microenterprise in the United States

*Strategies, Costs, and Effectiveness*

*1996; 80 pp. \$18. Aspen Institute, 1333 New Hampshire Ave. NW, Washington, DC 20036; 202/736-5800, fax 202-467-0790, [www.aspeninst.org](http://www.aspeninst.org).*

This report documents the experience of seven senior microenterprise programs in

delivering credit, training, and technical assistance to low- and moderate-income clients. Analyzes the strategies, costs, and effectiveness of some 17 microenterprise training and lending programs with a view to better understanding the accomplishments and potential in the US.

### Building a Model ACCION's Approach to Microenterprise in the United States

*William Burrus and Katherine Stearns. \$16 from ACCION Publications, see above.*

One of the first works written about the microlending experience here in the US. Addresses issues, struggles, and challenges, as well as preliminary impact data.

### Association for Enterprise Opportunity

*70 E. Lake St., Suite 1120, Chicago, IL 60601; 312/357-0177 ext. 41, fax 312/357-0180.*

The clearinghouse for information on microenterprise organizations in the US and Canada, AEO helps people looking to participate with microloans or microlenders in a particular area. Their services include training, technical assistance, and lending. Some organizations are more credit-driven while others focus more on training. They answer 200-300 queries a month.

### BusinesStart

*Abingdon, VA; 540/623-9000, [welthysoni@naxs.net](mailto:welthysoni@naxs.net).*

Prepares potential borrowers to create viable business plans. Other intensive courses are added as the person obtains the loan.

### Coastal Enterprises, Inc.

*Wiscasset, ME; 207/882-7552, [efg@ceimaine.org](mailto:efg@ceimaine.org).*

Most training takes place as one-on-one business counseling, but there are also workshops and an Advisory Board Program where experienced business women provide technical assistance. Also does larger, SBA-type loans of \$50,000.

Opportunity International

### Women's Initiative for Self-Employment and ALAS

*San Francisco, CA; 415/247-9473 (WISE), 415/826-5090 (ALAS).*

Primarily a training-driven nonprofit. Small business loans require 50% ownership by women. ALAS is the Spanish-speaking sister organization of WISE.

Some other notable regional projects are: the **ACCION US Network** (see their international access below), **MICRO** (Tucson, AZ; 520/806-9513), **Women's Self Employment Project** (Chicago, IL; 312/606-8255), **Rural Economic Development Center** (Raleigh, NC; 919/250-4314), and the **Institute for Social and Economic Development** (Iowa City, IA; 319/338-2331).

## International

### Microfinance Network

*733 15th Ave. NW, Ste. 700, Washington, DC 20005; 202/347-2953, fax 202/347-2959, [www.bellanet.org/partners/mfn](http://www.bellanet.org/partners/mfn).*

A worldwide association of leading microlending institutions. Contact them for a member list of most of the major international programs, such as **SEWA**, the **Kenya Rural Enterprise Program**, one of the few really successful, financially sustainable African programs, the Polish group **Fundosz Mikro**, and Bangladesh's **BRAC**, with over two million clients.

## ACCION

### International

*120 Beacon St., Somerville, MA 01243; 617/492-4930, 617/876-9509, [www.accion.org](http://www.accion.org).*

A network of 25 microlending institutions in 13 Latin American countries and seven US cities, ACCION loaned \$485 million to 310,000 active clients in loans averaging \$600. Well seasoned and effective, it reaches large numbers with financial services through affiliates who are financially self-sufficient, assuring the ongoing social impact of its work.

### The Consultive Group to Assist the Poorest

*World Bank, 1818 H St. NW, Rm. Q4-024, Washington, DC 20433; 202/473-9594, fax 202/522-3744, [cproject@worldbank.org](mailto:cproject@worldbank.org).*

Objectives: strengthen donor coordination, increase learning and dissemination of best practice, and support microfinance institutions that deliver credit and/or savings services to the very poor.

### Grameen Bank

*Mirpur Two, Dhaka 1216 Bangladesh; 880-2-803-559, fax 880-2-803-559, [gramen@drik.bgd.toolnet.org](mailto:grameen@drik.bgd.toolnet.org)*

One of the leaders, and continually successful. Publishes a quarterly newsletter, the *Grameen Dialogue* (\$25).

### The Price of a Dream

*David Bornstein. 1996; 370 pp. \$25. Simon & Schuster.*

The well-told story of the Grameen Bank and its founder, Muhammad Yunus.

### Women's Opportunity Fund

*PO Box 3695, Oak Brook, IL 60522; 630/279-9300, fax 630/279-3107, [wof@opportunity.org](mailto:wof@opportunity.org).*

Representing the micro-end of the spectrum of international microlenders, WOF provides loans and training to 6,000 poor women in 15 developing countries.





**You can't but love the weather.**

Though the grayness starves my desert body, there is something very precise and pedantic about El Niño. Bay Area commuters must admit that their work events are not in harmony with seasonal and yearly change. Unable to cancel events because of habit, scheduled appearances, and deadlines, folks and forecasters play despondent over the flooding, mudslides and high tides. Nature's ebullience irritates as an obstruction to life, not part of it. It took Winslow almost two hours to get to the office because Redwood Highway had been built on former mud flats. (It usually takes twenty minutes.) History re-asserts itself through landscape. El Niño, like having a child, recalibrates time and distances. Poor dairy cows under the cypress; bedraggled street cats; warblers without bugs. Why do I smile, driving at half-speed, envisioning friends in Alaska catching albacore for dinner?

Back in the Sonoran desert (weird bifurcated bioregional life that I lead), a second jaguar has been seen and videoed. You'll hear a lot of naturalist gossip, since our most recent reader survey (the return rates astounded publisher Alex Gault) gave top prize to ecology and natural history. Hope you're not just petting the editor.

Other results from the survey tell me that Whole Earth needs to get the word out to those below thirty. (Less than five percent of survey respondents were below thirty. Maybe they just hate survey forms.) Surveys always raise more questions than answers. A lot more men responded than women. But some were the subscribers for a family and (is it true?) they share their Whole Earth with others. We self-ignored (a word overheard at my drive-in coffee stop) by not asking if readers share the magazine with others. A majority of survey readers want even more resources, especially about gardening, health, and education/schooling. When we can fund more pages (we hope to add sixteen as soon as

This photo hangs in the hall of the Falkirk Cultural Center (above right), where we share space with the city of San Rafael. Falkirk was purchased in part from revenues of early US-China financial integration at the turn of

the century. The photo shows the three-island freighter, the *Hazel Dollar*, belonging to Robert Dollar (former owner of Falkirk) docked at Hong Kong, with coolies unloading redwood and Doug fir from US coastal temperate forests.

we receive funds), resource coverage will inflate. With Andrew Weil and Wes Jackson on the editorial advisory board, have no fear about health and agriculture. We have been trying to track down a committed voice on education. Any ideas?

Tied for third place were: human rights, sex, and community building. As an aside, newsstand purchasers say they buy Whole Earth because they are very interested in our coverage of community. Electronic media and spirituality split between those wanting a lot and those not interested. You figure. To our surprise, a lot of survey respondents were not that interested in outdoor recreation and economics. Yikes! We may have blown it with this issue. Hold on folks, we experiment. Few report that they read the music, poetry, and fiction.

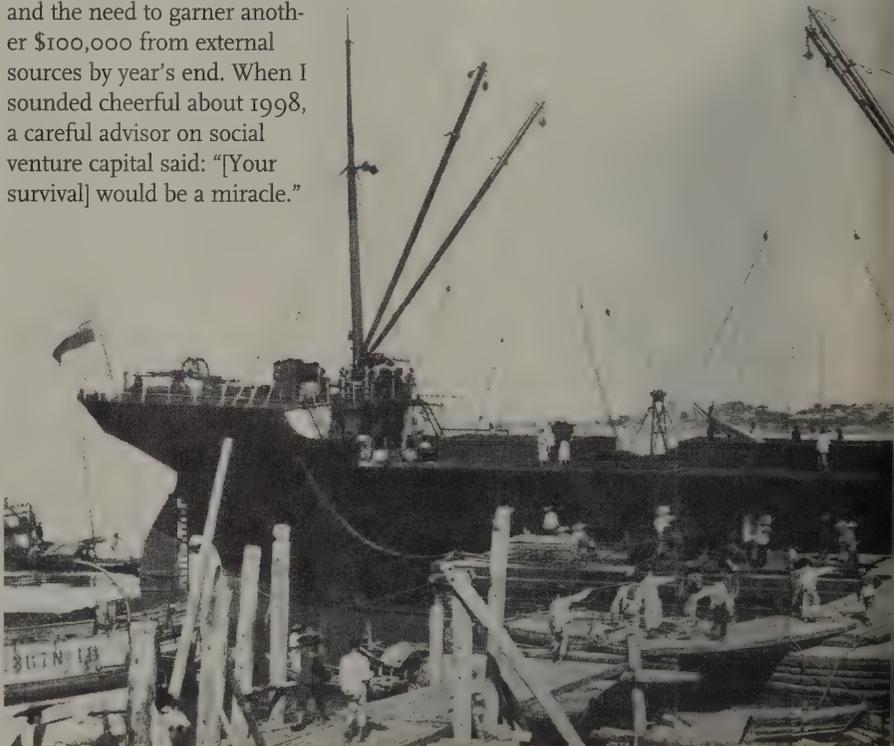
The most frequently read magazine (besides us) was *Utne Reader*. The others were a hodgepodge (*Harper's*, *National Geo*, *New Yorker*, *Nation*, *Wired*) and then the diversity gets out of hand. I like that. Permaculture advocates tended to write essays all over the survey form. More on all this in another issue.

## News

Practicing what we preach, we have a new bookkeeper, Cynthia Ganey, who's revamping the account books so that they better reflect the cashflow feedback loops. We have \$20,000 in the bank, subscriptions coming in pleasantly (never enough), and the need to garner another \$100,000 from external sources by year's end. When I sounded cheerful about 1998, a careful advisor on social venture capital said: "[Your survival] would be a miracle."

One lovely condition of the Marin Community Foundation grant for the religions and environment issue was giving away 2,000 issues to concerned religious and enviro groups. Feels good to be a donor.

The Bioneers Conference last winter gave us most pleasant kudos. Lots of on-stage friends from Amory Lovins and Paul Hawken to Kenny Ausubel. Two great interns found us there. Jonathan Niborg arrived with no car and a backpack and stayed for two months, assembling our magazine library, accessing our artwork, compiling the survey, and contributing lots of editorial smarts. Ajay Advani arrived by car, got a parking ticket, and provided razor-sharp critiques of various essays. Winslow, pixel farmer and elegant craftsman, is back. He helped design the Millennium Catalog back in 1993 and Whole Earth Review (1994-1996). I benefit from his calmness, perspectives, and good music. He's now engaged to Joanna Davis; their current project is crafting cards with her drawings. Kim got tired of indoors work and now walks dogs for a living. Anna Lee will run the office. The editorial advisory board can be found in the colophon in the Table of Contents. It's still not complete. And we welcome Daphne Derven, Curator, American Center for Wine, Food, and the Arts, who's been feeding us wonderfully tasteful tomes. —PW



## Thanks

Whole Earth thanks these people, who have provided editorial assistance; illustration and permissions procurement; and business, fundraising, and circulation help on this issue.

Carol Adney  
 Ajay Advani  
 Colleen Anderson  
 Arizona Friends of Tibet  
 Martha Belcher  
 Dennis Breedlove  
 Ann Caviness  
 Jack Collum  
 Arie de Geus  
 Beth Goldberg  
 Chuck Greene  
 Marty Krasney  
 Diana Hadley  
 Lida Hadely  
 Sadie Hadley  
 Taylor Hess  
 Peggy Hitchcock  
 Marilyn Humphries  
 Doug Huneke  
 Lois Jensen  
 Huey Johnson  
 Snake Jones  
 Andy Kimbrell  
 Peggy Lauer

Michael Lerner  
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 Foundation Library  
 Jack Mayberry  
 The New Road Map  
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 Jonathan Niborg  
 Mayumi Oda  
 Arthur and Kitty  
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 Robin Ratcliffe  
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 Joel Solomon  
 Charlene Spretnak  
 Tom Stanton  
 States of Grace  
 Lee Swenson  
 Kevin Tripp  
 Will Toor  
 Sallyanne Wilson  
 Ted Wolfe

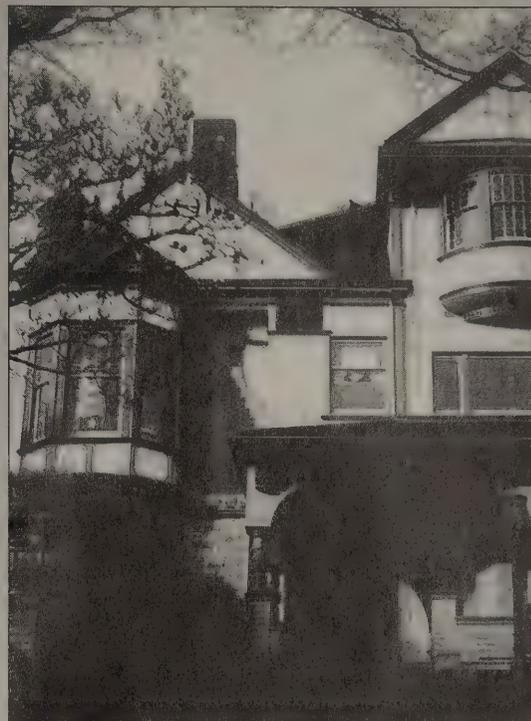
## Apologies, Updates, and Corrections

The cover of Whole Earth No. 90 was designed (as was this issue's cover) by the multi-talented Stephanie Johnston. We apologize for neglecting to give her credit.

*States of Grace: The Recovery of Meaning in the Postmodern Age* by Charlene Spretnak can be obtained from Harper Collins.

*Factor Four* (Whole Earth No. 90) is currently available in the US only through Rocky Mountain Institute, 1739 Snowmass Creek Road, Snowmass, CO 81654-9199, 970/927-3851, fax 970/927-4178 (\$35 postpaid).

Our internal spellchecking brainware failed us in Issue No. 91. Apologies to interviewer Richard Scheinen, reviewer Rasa Gustaitis; new Maniacal Subscriber Jonathan Frieman; and friend, advisor, and now Contributing Editor Linda



Connor.

The correct address for *EarthLight* (No. 91) is 1558 Mercy Street, Mountain View, CA 94041.

*Judaism and Ecology* (No. 91) is distributed by Hadassah, at the address given, but not by Shomrei Adamah.



Whole Earth is a conversation. Compliments, cavils, and corrections are welcomed. Letters may be (reluctantly) edited for space. Write to 1408 Mission Avenue, San Rafael, CA 94901 or wer@well.com.

### They Like Us

[Issue 91] is a good as it's ever been. I will be poring over it for months. And anything by Dana Meadows is worth the price of admission.

Daniel Blum (email)

Skinnier, a little grayer maybe, but the mag reads exactly as it has for the past twenty-three years! It's the greatest countercultural periodical in the history of humankind. Give them your money. Donate your blood, if you have to.

Bruce Sterling  
Writing in *Wired*

### Special Issues?

You have all done it again. New crew, new address, same WER. That is to say, the soul of WER/CQ reincarnated and renewed.

Issue 90 was a good solid start, and gave me much hope. Having Peter Warshall in the editor's chair was a big plus—his CQ "Watershed" issue way back when was one of that handful of personally epochal issues ("Computers as Poison" was another). Great to have J. Baldwin still on board: the ecological design series of articles was the sort of reporting for which I've always so valued WER/CQ. Also, Mr. Baldwin's tool evaluations are still a feature I always look forward to: good, honest, succinct, accurate... In other words, essential Whole Earth output and guidance.

No. 91, the current issue on ecology and religions, will prove, I think, another essential/epochal issue. Necessarily (given the topic, as it seems) a bit brief, the extent and depth of this (to me) surprisingly broad and deep landscape illuminated by the overflight of this issue is profoundly moving to regard at a glance. Again, a WER/CQ landmark, such overflights to the creative edges of the global culture.

Eric Wurzbacher (email)

After subscribing for a bijillion years, I was overjoyed to see you rise from the ashes. Unfortunately, my joyous mood was diminished considerably as I plowed through the Winter 1997 issue.

Typically, I read e-v-e-r-y article since any one, even the least likely, can change the way I see the world.

This "special Issue" seemed to lose the special clear-sighted approach to the world. There are lots of books and



magazines now dedicated to the new spirituality and the new thoughts of the world religions. While I don't object to the occasional "spiritual" article, having an entire issue hammering a single world view got more than tedious.

I plead with you. Changes are needed to allow WER to extend into the future. Those changes should not be so drastic as to lose that magic that made you special.

Marion Leonard  
Berthoud, Colorado

### Religions and the Earth

Never again will I see/hear the word "holocaust" without it evoking alternating images of human cordwood and felled redwoods.

Margaret Kallsen  
Houston, Texas

There's something about the new combination of organized religion and environmental politics that leaves me feeling a bit uneasy. Yes, I suppose that it's important to bring bishops and cardinals, television evangelists, university theologians, and all the rest, into the struggle to save Mother Earth, because we're all linked together and because we're all responsible for the mess on this planet. Still, as the corporate forces of religion become more involved with the environment, count me among the skeptics.

Organizations like the National Religious Partnership for the Environment don't seem to be interested in bringing the different religions together to work for the common good. Instead, their emphasis is on promoting a particular religious message while beating back the Pagans and New Agers, the humanists and spiritual feminists, and other possible rivals. Back in the 1970s, you could be a Jew, or a Buddhist, or a Wiccan, or even an atheist, and it didn't matter in the environmental movement, provided that you were willing to do the work needed to be done to benefit the whole earth. But, now, in the

1990s, we're told that environmentalists need to embrace the right sort of religion in order to be counted among the righteous.

It's possible, I suppose, that big-time religion will do some good in the environmental movement and, perhaps, skeptics like myself will be grateful. But it's also possible that the clergy will do more harm than good. Jesus of Nazareth, by all accounts, was a wise and loving teacher, but millions of people have been chopped apart and burned in order to build organized Christianity. If the ecology-minded clergy lead the world into a new series of pogroms and heretic hunts, Mother Earth will again weep.

Robert Murphy  
Greenville, North Carolina

### Wicked Waters. Help!

I am ten years old and doing my science project on surface tension of water. I added various solutions to water and then placed two cups side by side—one with the liquid and one empty. I then "wicked" a strip of linen fabric (last year's project was which fabric absorbed and wicked best) in the solution and placed it over the edge of the glass. I used water as my base.

The solutions that beat water were salt water, vinegar, wine and diet Coke.

Can you help me understand why this is so?? Thank you.

Aubrey Stark (4th grade)  
Carrollton, Texas

PS: Liquid soap, lime juice, lemon juice, Karo, and vegetable oil were my worst solutions.

### More on Venom

I work each summer with 10 to 30 blacktailed rattlesnakes.... Why support something like stun guns for snakebite that in this country has not been discussed for many years? There is little evidence it works. Electroshock does not work in the lab (Dr. Gudarian admits he cannot make it work there and does not dispute this) and there is no reason why it shouldn't if

in fact it is effective. Dr. Gudarian is the only one with a large series of cases and these are Ecuadorian indigenes. He says he doubts if western medicine will ever accept it as treatment. Unfortunately, he has not published his series in a way it can be evaluated as to how he carried out his study and obtained the results. Anecdotal cases in other countries here and there have not helped to sort this out. Most snakebites do well, and recovery cannot be related to the specific events that preceded it; the frequency of injury is too variable to allow this. You did point this out by quoting Jude McNally (who is a registered toxicological clinical pharmacist and not a DPharm), but it did not seem to influence how your lead-off text was couched. Incidentally, the paper by Carl Osborn on electroshock and spider bites mentioned by [Dr. Andrew] Weil is an example of a poorly designed clinical study that only leaves us asking questions. He [Osborn] showed that twenty-four patients could recover from spider bites despite the use of electroshock. He certainly did not show it helped them.

The first consideration, even in an isolated situation, is immediate evacuation to a medical facility. The extractor may or may not work, but is worth a try if it's

available and using it will not delay transport. Again, measures not recommended for snakebite first aid are: incisions, constricting bands, ice application or ice water immersion, immersion in warm or hot water (the pain is greatly enhanced and it has not been studied as to its effects, e.g., increased venom absorption and systemic toxic effects), pressure/immobilization, and electroshock. These recommendations follow those in the current medical literature.

David L. Hardy, Sr.  
Tucson, Arizona

See Hardy, David L. (In press) "Alternatives in the Field Management of Venomous Snakebite." In *Animais Peçonhentos no Brasil*. J. L.C. Cardoso, H.W. Fan, F.O.S. França and C.M.S. Malaque (eds.), Editor Sarvier, São Paulo (from the Insitutio Butantan in São Paulo). —ed.

### Pumpkin Papers?

In Patrizia DiLucchio's review in No. 90 of *How to Hide Things*, Ms. DiLucchio wrote, "Even Whittaker Chambers had the good sense to hide his microfilm in the pumpkin patch!"

I was upset to see WER perpetuating a lie that not even conservatives take seriously any more. Chambers never hid anything but the truth. In 1948, he casually

hollowed out a pumpkin and then told investigators that he had used such a pumpkin to pass microfilm to Alger Hiss.

Not so. Hiss was framed. Chambers might just as well have told investigators he had left the microfilm under his doormat.

Hiss always said the charges were false. In 1992, a Russian general in charge of Soviet intelligence archives confirmed Hiss's innocence. Is Ms. DiLucchio oblivious to current events?

Iver Torikian  
Tarumi-ku, Kobe, Japan

### Edge of Chaos

Your use of "The Edge of Chaos" in No. 90 may mislead some readers. Your editorial implies that this is a bad place. To the contrary, "edge of chaos" is a phrase deliberately crafted by artificial-lifer Chris Langton to mean complexity, that special state delicately poised between rigid order and unmanageable chaos. Like most edges, this is where all the interesting things happen. You might want to elaborate on that for readers some time.

Toby Hemenway  
Oakland, Oregon

We will! —ed.

## Contributors' Guidelines

*Essentials:* Your name and contact information must be on the front page. We love Word disks or email but will take submissions in any legible form.

### Art and Longish Pieces

Payments for photographs, illustrations, articles, and other longish pieces are negotiated case by case.

*Submissions:* We'll send a noncommittal postcard when your manuscript has arrived. We don't return manuscripts unless you include a self-addressed stamped envelope. If we like it, we hang on to it, sometimes 'til two moons rise in the same dawn. We wait for the perfect circumstance, which sometimes doesn't arrive.

*Prefrontal queries:* Outline your proposed article in detail, 'cause we don't have the staff for long phone discussions. We pay on publication, and can't guarantee a piece will be used until we go to press with it. Sorry—no advance payments or kill fees.

*A few tips from the editor:* We like your personal voice: intimate, a fun conversation with an attentive friend but not overly confessional or self-indulgent. We like ideas, thoughts, and events to appear to stand independent and clear of the

narrator. Candor: speak right to our ears, open, confiding everything from gossip to wisdom. A hard road to navigate. Don't inflate a short piece into a long one. Don't send us a variation on an old idea. Show us you did your homework. Don't rant against anything or anyone without very solid suggestions for fixing the rantee.

Be prepared to violate the above guidelines for elegance or to present a compelling point.

Don't be crushed at rejection. We reject our own submissions too.

### Reviews

We pay \$40 upon publication.

*Only great stuff:* We let bad, mediocre, wimpy, mushy, rehashed, and poorly crafted books and other items die their own deaths. Don't waste time and energy on items you only complain about.

*Why this item provides skillful means for mind, body, soul, community, or the planet.* First, ask yourself: Is this the only book or tool available for this purpose? If so, say so, especially if it's the first to offer a new idea, thought, technique. Second, if other books or tools are already out there, and the new item makes no great difference, forget it. If it provides upgraded skillful means, a greater intimacy and sense of caring or

wild/adventurous intellect, then make sure the reader knows that you know how it compares with the other stuff. But avoid showing off your great and deep understandings or outlining the whole book. In one or two paragraphs, there's no room to explain.

*Beware the backcover blurb!* Write with an honesty that makes you squirm. Reveal your voice and all its slangish, idiomatic candor. Get out of the way of the book or tool.

*Let the excerpts speak:* They convey the thought or craft of writing. If you send us a disk, please type the excerpts, noting the page numbers. Or send photocopies with excerpts marked. Don't send us your personal copy of the book!

### Reprinting

Whole Earth buys all rights to reviews and first rights to articles. We reserve the option to reprint. If we do, we pay an additional amount. We allow small quantity reprints for nonprofit educational classroom or community use with no charge. If another trade publication asks to reprint your article, we refer them to you.

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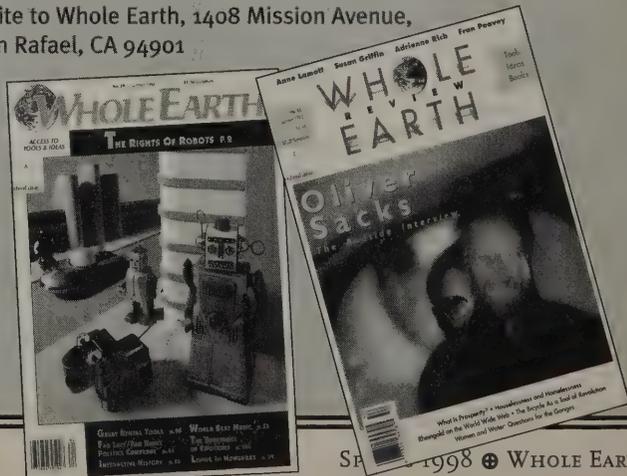
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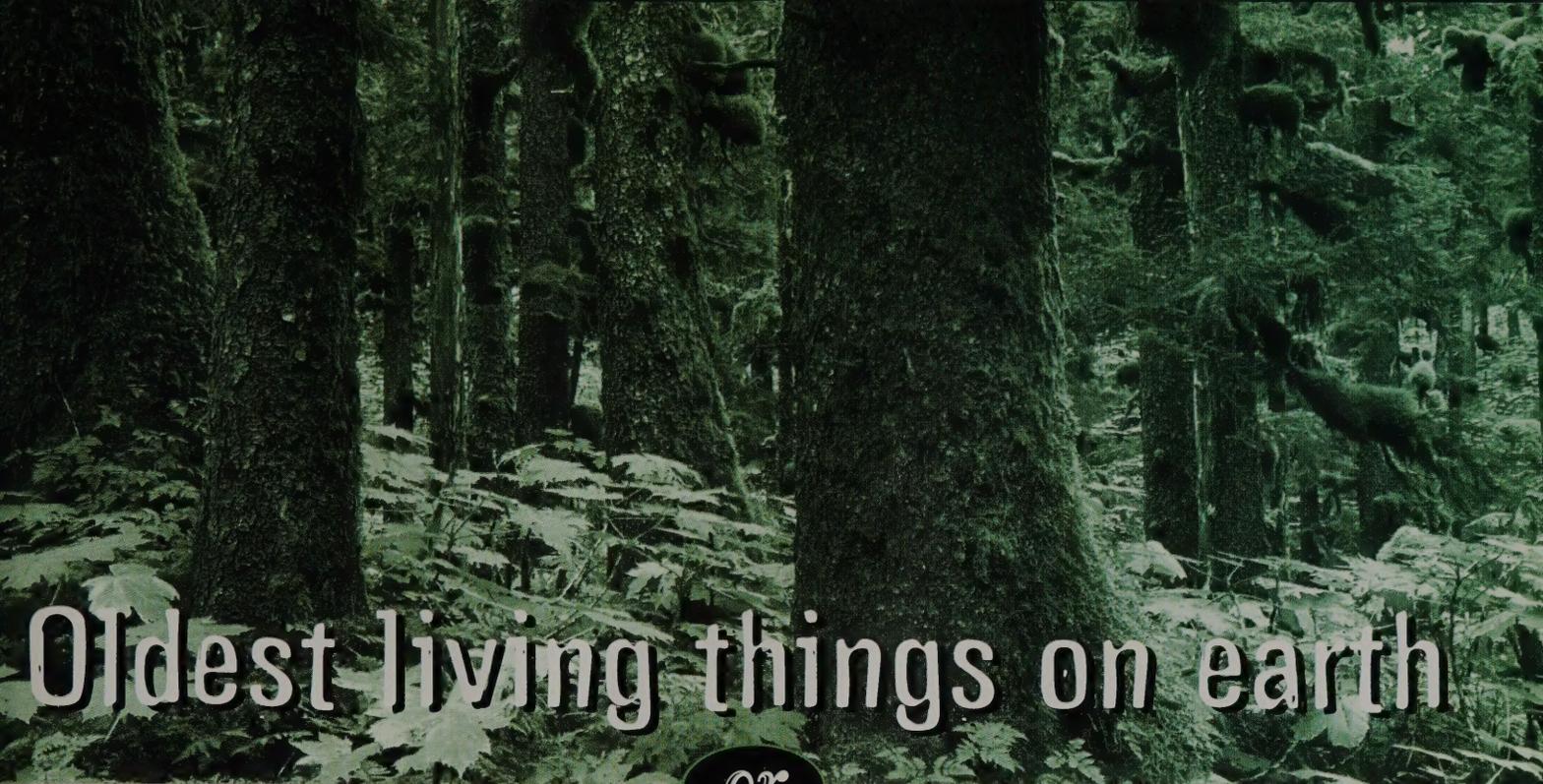
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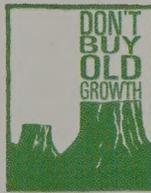
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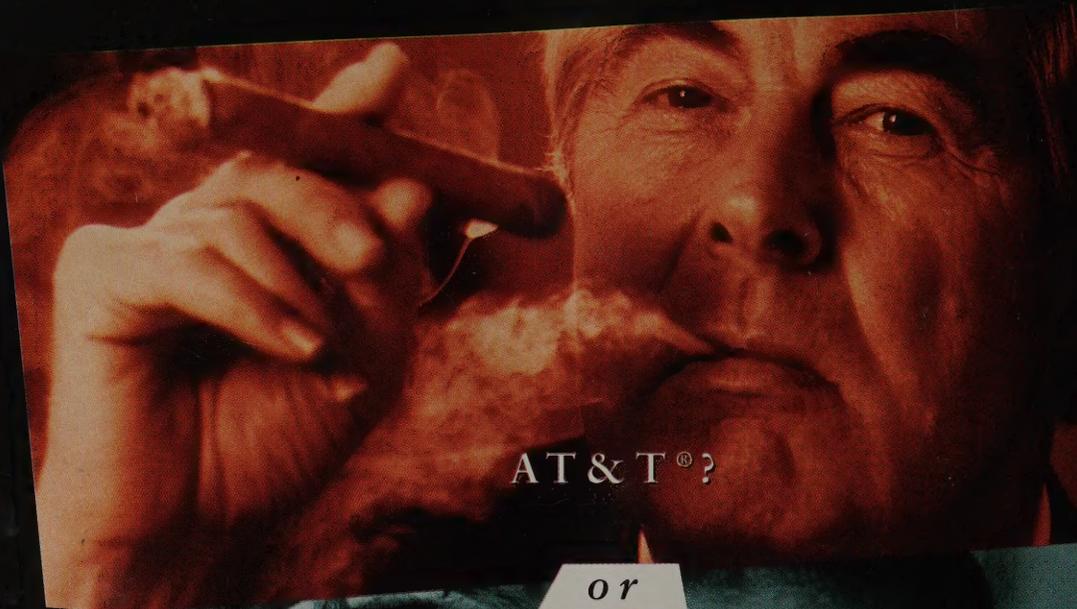
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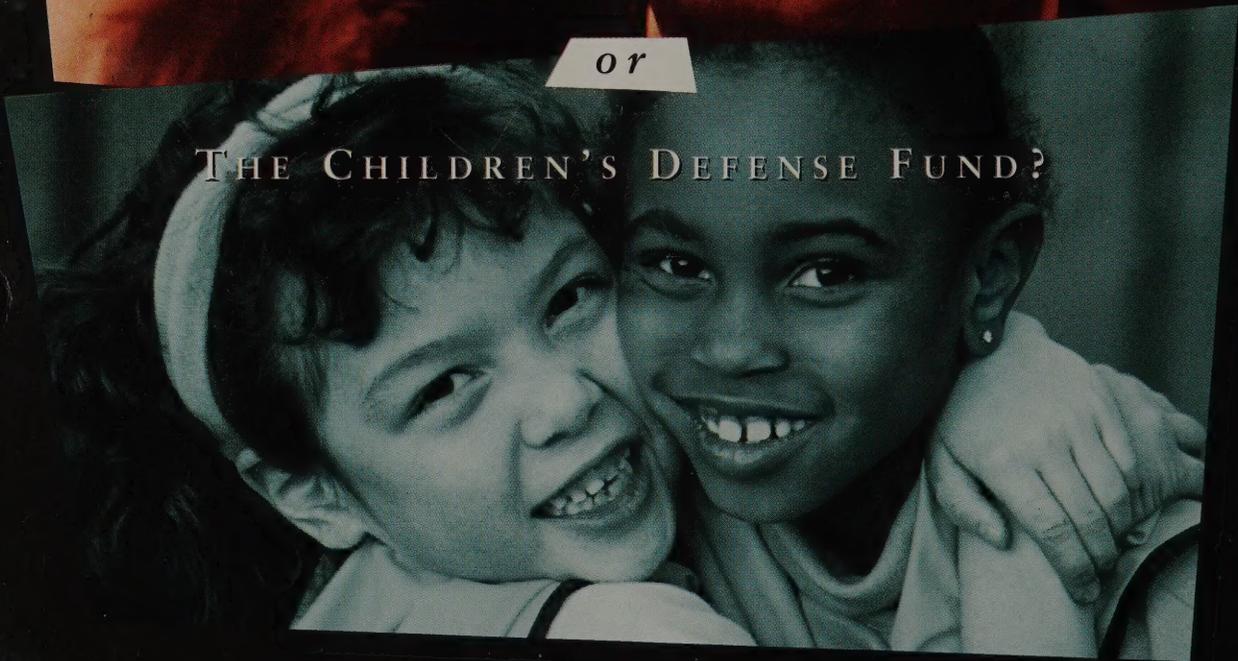
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